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Nakasone Sweeps Party Vote; Nears Japan's Top Post

By Steve Lohr
New York Times Service

TOKYO — Yasuhiro Nakasone won a sweeping victory Wednesday in the primary election for the presidency of Japan's ruling Liberal Democratic Party. It virtually assures that he will be elected the next prime minister by the Diet, or parliament, on Friday.

Mr. Nakasone, director-general of the Administrative Management Agency, received 559,673 votes, or 58 percent of the mail-in ballots cast by eligible members of the Liberal Democratic Party. His total was more than twice the number received by his closest competitor, Toshio Komoto, director-general of the Economic Planning Agency.

Mr. Nakasone, 64, owed his one-sided victory to the solid support of the two largest party factions, controlled by Kakuei Tanaka, a former prime minister, and Zenko Suzuki, who announced on Oct. 12 that he was stepping down as prime minister.

Mr. Suzuki's resignation led to the four-candidate race for the party presidency, a post that carries with it the prime ministership. The Liberal Democratic Party, which has held power in Japan since 1955, has majorities in both houses of parliament.

Technically, the primary vote was taken only to narrow the field of candidates from four to three. On Thursday, the 421 Liberal Democrats in the Diet will meet to nominate the party's candidate. There will then be a vote of the parliament on Friday.

But the magnitude of Mr. Nakasone's primary victory made the last two steps mere formalities.

Late Wednesday afternoon Mr. Komoto, who received 265,078 votes, and Shintaro Abe, minister of international trade and industry who collected 80,443, announced they would not be candidates at Thursday's party convention because Mr. Nakasone collected a majority of the primary vote.

The fourth candidate, Ichiro Nakagawa, director-general of the Science and Technology Agency, was eliminated when he finished fourth in the primary with 66,041 votes.

In the view of political analysts here, Mr. Nakasone conducted a deft, cautious campaign.

"He said nothing that would antagonize the people that supported him," said Gerald L. Curtis, a Columbia University professor now in Tokyo who specializes in Japanese politics. "And he said nothing that would give ammunition to his opponents. He handled himself skillfully and looked like a prime minister."

Mr. Nakasone's victory demonstrated that the conservative mainstream of the party continues to control the party. The outside hope of Mr. Komoto and the other two "non-mainstream" candidates was that the individual party members might break ranks with the factions, giving them more votes in the primary.

The other three candidates tried to make an issue of Mr. Tanaka, who is on trial for his alleged involvement in the Lockheed bribery scandal. Though he was forced to give up his party membership after he was indicted, he continues to control the largest party faction and is Japan's most powerful kingmaker.

Mr. Nakasone is unlikely to make any major changes in Japan's military or economic policies, political observers say. Though more forceful in manner and speaking style than his predecessor, Mr. Nakasone's stands on issues are very close to those of Mr. Suzuki.

Mr. Nakasone backs a current campaign to reduce government spending and to curb budget deficits, unlike Mr. Komoto, who advocates use of fiscal stimulation to revive Japan's economy.

Mr. Nakasone, who is a former director-general of the Defense Agency, supports a buildup of Japan's defense capability. But given his commitment to fiscal austerity, he is unlikely to enlarge the military budget as much as the Reagan administration wants.

Instead, he is likely to defend military spending against the budget-cutting efforts of the Finance Ministry, Japanese analysts say. The result, they predict, will be a rise in military spending of about 7 percent for next year, about the same as this year.

Yasuhiro Nakasone met reporters Wednesday after winning the Liberal Democratic primary.

INSIDE

KGB Career Officer Named Deputy Soviet Prime Minister

By Dusko Doder
Washington Post Service

MOSCOW — Gaidar Aliyev, a career officer of the KGB security police who was elevated to the ruling Politburo only on Monday, was named Wednesday as first deputy prime minister of the Soviet Union.

Mr. Aliyev, 59, was elected unanimously at a closing session of the Supreme Soviet, or parliament, amid clear indications that he was being groomed to take over the top governmental post held by Prime Minister Nikolai A. Tikhonov, 77.

The action follows the election of Yuri V. Andropov, who served as chief of the KGB for 15 years until last May, to succeed the late Leonid I. Brezhnev as general secretary of the Soviet Communist Party and seems to foreshadow greater internal discipline.

Mr. Aliyev, an ethnic Azerbaidzhani who joined the KGB at age 19, is one of the most attractive and forceful personalities in the Kremlin leadership. Western diplomats who met him earlier this year described him as an exceptionally intelligent and self-confident man and a "natural politician."

When Mr. Andropov took over the KGB chairmanship in 1967, he appointed Mr. Aliyev as chief of the KGB in Soviet Azerbaidzhan. Mr. Aliyev held the post for two years before he was named the Azerbaidzhani party leader in an effort to clear out the corruption and economic crime for which the republic had become notorious.

Although not an economist, Mr. Aliyev had achieved considerable success in running the economy of Azerbaidzhan. The republic's industry and agriculture have achieved the highest growth rates in the country during the past decade.

His selection as the first deputy prime minister seems to reflect Mr. Andropov's intentions to have Mr. Aliyev do the same on the national scale.

The new Soviet leader has quickly consolidated his authority and clearly seems determined to focus on the country's internal problems.

This was underscored Wednesday as the two-day session of the Supreme Soviet closed its deliberations without electing a new chief of state, the post left vacant by the death of Mr. Brezhnev two weeks ago.

The titular head of state at the moment is Vasily V. Kuznetsov, 81, a career diplomat who was made an alternate member of the Politburo and first deputy president in 1977 to assist the ailing Mr. Brezhnev in the performance of ceremonial functions.

Mr. Andropov was elected Tuesday to the 38-member Presidium, or collective state presidency, and thus acquired the right to act as head of state when and if he chooses. Informed observers said the Mr. Andropov, 68, had sufficient authority to win the presidency but that he chose not to take the post, which involves many time consuming ceremonial duties.

With two former senior KGB officials now in top Kremlin positions, the security service was given additional exposure Wednesday as the new KGB chief, Vitaly Fedorchuk, made his first public speech since replacing Mr. Andropov last May.

Mr. Fedorchuk, also a career KGB officer, took part in the debate on a new bill on the Soviet frontiers. Saying that subversion from the West has increased, he called for tougher security along the frontiers. Soviet border guards are a part of the KGB and are believed to number about 300,000 troops.

The text of the new law on Soviet frontiers was not available but diplomatic observers here believe it was disclosed now in connection with a possible adjustment along the Chinese-Russian border.

Georgy Korniyenko, the first deputy foreign minister, also spoke Wednesday. He made a reference to such a possible adjustment when he said there was calm along the border now and that the Kremlin would like to become "a border of friendship."

The two countries have recently begun "political contacts" to normalize relations. One of the key Chinese demands has been the withdrawal of large Soviet troop concentrations from the border, and it is possible that the two countries are moving toward reducing their forces along the frontier.

Wednesday's closing session of the Supreme Soviet predictably approved without dissent the government's budget for 1983 and its plan for the year. The debate Wednesday provided no additional details as to either the budget or the plan.

EC Rejects U.S. Effort To Cut Trade Barriers As GATT Meeting Opens

By Axel Krause
International Herald Tribune

GENEVA — Representatives of Japan and key developing nations joined the United States in calling for broad and strong measures to liberalize trade as a ministerial trade conference of representatives of 110 nations and major international organizations opened Wednesday in Geneva.

But the European Community, responding at the four-day conference sponsored by the General Agreement on Tariffs and Trade, said that any commitments against protectionism had to be "realistic."

The EC rejected taking on new commitments and obligations in agriculture or starting new negotiations aimed at reducing the EC's controverisal farm export subsidies, said Wilhelm Haferkamp, vice president of the EC Commission.

The differences between the EC and the United States, Japan and developing countries over farm subsidies must be resolved by Saturday, conference sources said, or the meeting will not have achieved a crucial goal.

"If we cannot get agreement from the EC on reducing farm subsidies, this conference will have failed in a very substantial way," a U.S. official said. "And right now, the EC is alone in refusing to move on dismantling subsidies in this key sector." But, he added, "compromises are possible."

In an effort to break the deadlock and complete negotiations on a range of proposed trade liberalization actions, trade ministers and other key delegates were meeting Wednesday night at the Château de Chillon overlooking Lake Geneva, 50 miles (80 kilometers) from the site of the conference.

The EC ministers will also meet Thursday and Friday to review their position.

Representatives from 28 nations, the World Bank, the International Monetary Fund and other agencies addressed the opening session of the conference, and the speeches will continue Thursday along with behind-the-scenes negotiations and discussions

In his opening statement, William E. Brock, the U.S. trade representative, called for "a commitment to roll back, over time, existing GATT illegal actions" concerning trade and which he said "will have a hollow ring unless accompanied by operational agreements" on limiting import restrictions and improving the dispute-settling mechanisms of the agency.

Warning of "wasteful and dangerous competition" which might be triggered if no agreement is reached, Mr. Brock called for liberalization of farm export subsidies and what he termed a work program to move toward their eventual elimination.

"We must seek to develop an approach which will permit each nation to pursue its own agricultural policies while requiring fair and equitable competition," he said. U.S. officials said his statement was clearly directed at the EC's farm trade policies.

Japan's outgoing minister of foreign affairs and chief negotiator, Yoshio Sakurauchi, stated that his country is "one of the most open markets in the world." He supported the U.S. position, particularly with regard to obtaining what he termed "a strong manifestation of collective political will to stem the increasing trend toward protectionism."

Japanese officials said that Japan was coordinating and consulting closely with U.S. negotiators to get a strong anti-protectionist statement from the conference, while supporting U.S. efforts to eliminate the "distorting" effects of farm subsidies.

In a related development, U.S. and Japanese officials said that they were hopeful that negotiations could begin shortly to extend an agreement that limits the level of Japanese automobile exports to the United States, an accord which is entering its third year. But U.S. officials brushed off suggestions that a new, restrictive accord would conflict with a GATT statement being sought to declare a moratorium on new protectionist measures. "It is an existing agreement," a senior U.S. official said.

Developing countries were highly critical of industrialized nations, citing slumped commodity prices, recession, high interest rates mounting debts and intensification of trade barriers to their exports, which Gamani Corea of Sri Lanka termed "discretionary and discriminatory." He urged that industrialized nations open their markets to developing country exports "on a nonreciprocal basis ... to be fulfilled and not modified unilaterally."

Urging that "in the spirit of the North-South dialogue, the time has come to give the poorer countries a break," the Philippines' minister of trade, Roberto Ongpin, said his government and those of other nations of the Association of Southeast Asian Nations favored calling for a "standstill" in trade-restrictive measures in industrialized nations and for "their eventual phaseout, notably with regard to textiles.

Mr. Ongpin said agriculture has become "a prolific breeding ground for one of the most trade distorting forms of protectionism," and he cited sugar as an example. "Because of its subsidies, the EEC has emerged as the world's largest exporter of a commodity that is produced traditionally and at least cost in the tropics," he said, urging that the GATT meeting "urgently place agriculture fully under GATT rules and disciplines."

Senior trade officials from India, Colombia and other developing nations said that they remained opposed to launching a U.S.-backed proposal to study expansion of trade in services, a billion-dollar-a-year sector comprising the insurance, banking, shipping and construction industries.

Beirut Massacre Panel Tells Begin, 8 Others to Prepare Legal Defenses

By David K. Shipler
New York Times Service

JERUSALEM — The commission investigating the Beirut massacre served notice Wednesday to nine of Israel's top governmental, military and intelligence officials, including Prime Minister Menachem Begin and Defense Minister Ariel Sharon, that they may be found to have failed in their duties by ignoring the dangers of sending Lebanese Christian militiamen into Palestinian refugee camps.

Some of the officials may also be found negligent for failing to report or act quickly to stop the killings.

The warning, which is required by law to anyone "likely to be harmed" by the commission's findings, provides the officials named with an opportunity to retain lawyers, to reappear before the panel, to examine documents and to cross-examine witnesses within 15 days.

The notification was also sent to Foreign Minister Yitzhak Shamir; the Israeli chief of staff, Lieutenant General Rafael Eytan; the Director of Military Intelligence, Major General Yehoshua Saguy; the head of the Northern Command, Major General Amir Drori; the division commander in the Beirut area, Brigadier General Amos Yaron; the civilian aide to the Defense Minister, Avi Dudai, and the head of the Mossad, Israel's intelligence agency, whose name is kept secret.

Hundreds of Palestinians were killed Sept. 16-18 by Phalangist militiamen sent into the Sabra and Chatilla camps by the Israeli Army to find Palestine Liberation Organization guerrillas believed to be hiding among the refugees.

The commission listed numerous areas of possible omission, which it said would be "tantamount to nonfulfillment of a duty incumbent" on the officeholder.

El Al announces that it is going into liquidation, opening the way for a new Israeli airline. Page 5.

It notified Mr. Begin that it may find that he "did not appropriately consider the role to be played" by the Lebanese "during and due to" the Israeli Defense Force's entry into West Beirut, "and ignored the danger of acts of revenge and bloodshed by these forces against the population in the refugee camps."

Mr. Begin has testified that he did not know the Phalangists were going into the camps until an Israeli cabinet meeting Thursday evening, Sept. 17, which convened about 90 minutes after the Lebanese had entered the camps.

Minutes of that and other meetings show that some officials, including Mr. Begin, mentioned the possibility of revenge by the Christians against the Moslems for the assassination two days earlier of the Phalangist Party leader, President-elect Bashir Gemayel.

The commission said it could find that Mr. Sharon "ignored or dismissed from his mind" the danger of revenge by the Lebanese forces and "did not order that the appropriate measures be taken to prevent this danger."

Mr. Sharon has testified that he first learned of the massacre about 9 P.M. Friday, Sept. 17, from General Eytan, who told him by telephone that the Phalangists "overdid it." Mr. Sharon said he took no action because his generals had already ordered the operation halted.

■ **Motion Is Defeated**

Mr. Begin's governing coalition defeated a no-confidence motion introduced in the Knesset by the opposition Labor Party, The Associated Press reported from Tel Aviv. The vote was 59-50, with 11 members absent.

The stormy, five-hour debate was prompted by a Nov. 16 opinion column in The New York Times (published Nov. 19 in the International Herald Tribune) that said the leading opponents of Mr. Begin's policies on the Israeli-occupied Arab territories of the West Bank and Gaza Strip advocated "sharp cuts" in nonmilitary American aid to "topple the Begin government."

The Labor Party chairman, Shimon Peres, and its foreign affairs spokesman, Abba Eban, vehemently denied urging cutbacks.

Wyoming Town, Home of the Minuteman, Welcomes MX

By Jay Mathews
Washington Post Service

ALBIN, Wyoming — The gas station is gone. The one surviving grocery store has cut back its hours. Even the school may be closed.

Albin, population 128, a little wheat and potato farming town 50 miles (80 kilometers) northeast of Cheyenne, is creeping slowly toward oblivion.

As a result, few people now mind, and many are rather pleased, that the most potent concentration of destructive force in the world is scheduled to move in.

After searching the nation for a home for the MX intercontinental ballistic missile, now renamed "Peacekeeper," the Reagan administration settled on the gently undulating grasslands of Wyoming in this peaceful, patriotic corner of Laramie County.

President Reagan faces tough going in Congress over deployment of the MX. Page 3.

For many here, the 100 missiles and the 3,500 construction workers expected to install them could not come too soon.

"This town needs something to boost it," said Corrine Domina, 42, waiting for customers to come into the grocery.

There is some opposition, however — from environmentalists; the state's Roman Catholic bishop, who opposes it on moral grounds; farmers concerned about the scarcity of water sources, and citizens worried about the problems of suddenly living in a boom town.

Albin signals its presence on the flat, mile-high plateau with a tall water tower and grain elevator, plus clumps of trees sticking naked branches into the pure blue sky.

Its population has shrunk as big growers and ranchers have pushed out the small farmers.

A few stray cattle along the road from Cheyenne break the monotony of grass and snow, but there is also something else here — about a dozen Minuteman-3 missiles resting beneath the earth within five miles of the town.

The U.S. Air Force has looked at potential MX sites along a stretch of plateau beginning just north of Cheyenne and ending just west and south of Albin. The proposed MX "dense pack" will be made up of 100 missiles buried in deep silos in a strip 14 miles long and 1½ miles wide.

On Monday, a Pentagon spokesman here indicated the Albin area looked best for the MX, or "missile experimental," but said more studies would be necessary.

Politicians here and in other Western states have made it clear that Wyoming was chosen because of its open desire for the missile base, its familiarity with missile systems dating back to the Atlas missiles of the 1950s and an apparent unconcern about the threat of Soviet atomic warheads raining down on the plateau.

"It doesn't make any difference if they write on your tombstone if you were killed while they were shooting at a Minuteman or an MX," said Bill Budd, president of the Cheyenne Chamber of Commerce.

Mr. Budd said he estimated that the construction crews would bring in $70 million a year in added income in the six years, beginning in 1984.

Ruby Berryman, the Albin town clerk and school secretary, said she hoped more children would come to the area "because we have been threatened with the loss of our school because we only have 100 kids."

Mike Sorensen, 27, who runs the town grain elevator, remembers when "the town had two or three gas stations, a barbershop and two grocery stores."

Like many other residents, he said he would like to know more details about the missile project, but he is a staff sergeant in the Air National Guard and supports President Ronald Reagan's efforts to build up American defenses.

Cheyenne was founded in the last century by railroad engineers and U.S. Army officers. Relations between townspeople and the 3,700 uniformed military personnel at Warren Air Force Base at Cheyenne remain unusually warm and close.

The 90th Strategic Missile Wing at the base would control the MX missiles, as it now does the 200 Minuteman missiles scattered about the area where the borders of Colorado, Wyoming and Nebraska meet.

"Everybody is rather excited about the new mission," said First Lieutenant Jeffrey Rich of the Air Force.

Environmental groups, which are relatively weak, have raised objections to the project, and the Roman Catholic bishop for Wyoming, Joseph Hart, has had a letter read in all churches here opposing it on moral grounds.

"Somebody along the line has got to say enough is enough," said Bishop Hart, "and we have got to stop the arms race."

The state's Roman Catholic leader said there had been an 80 percent favorable response to his opposition. Only about 15 percent of Wyoming residents are Catholic, however, and even the Catholic chaplain at Warren defended the pro-missile views of his military parishioners.

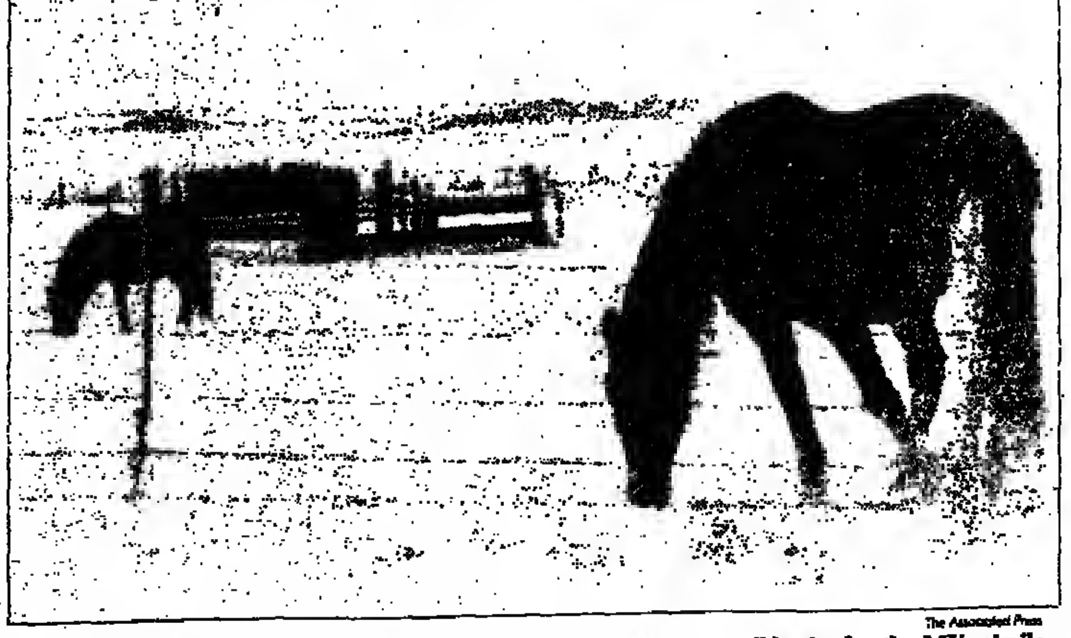
State Senator Richard Larson, an Albin potato farmer, said he supported the missile plan but wanted to make sure the federal government did not use too much of the area's scarce water supplies.

Farmers who might have to sell land for the project, he added, ought to receive fair settlements.

A member of the Albin Town Council, Norman Jacobsen, 47, who has lived here all his life, said that when the Minuteman sites were constructed 20 years ago many workers came in and lived in trailers for a while, but he said almost all later left.

Mr. Jacobsen also said he did not know if the town could afford the $400,000 to $500,000 it would take to construct a new trailer park, and he said he was concerned by how little information had been provided about the project.

What he fears, Mr. Jacobsen said, "is that Cheyenne is going to get all the glory and we're going to have to put up with all the riff-raff."



The Associated Press

Horses grazing in a snowy field near Cheyenne, Wyoming, at a possible site for the MX missile.

Ghana Says Coup Attempt Crushed, Fleeing 'Rebel Troops' Face Attack

Reuters

ABIDJAN, Ivory Coast — The government of Ghana said Wednesday it had crushed a coup attempt and threatened to bomb from the air any rebel troops trying to leave Accra, the Ghanaian capital.

Sources in Abidjan said gunfire and mortar shots were heard in Accra for several hours Tuesday night and early Wednesday. They said the shooting appeared to have begun close to the Gondar Barracks, the heavily guarded headquarters of Jerry J. Rawlings, 35, the country's leader.

Mr. Rawlings, chairman of Ghana's ruling Provisional National Defense Council, said in a dawn radio broadcast monitored in Abidjan that a coup attempt had been crushed by loyal troops.

Later, however, a special radio announcement urged rebel soldiers to surrender or face bombardment from the air, implying that the government was not yet in full control.

The extent of the revolt was unclear and the radio broadcasts made no direct reference to fighting. But Mr. Rawlings closed the international airport and extended by four hours the night curfew in force since Mr. Rawlings seized power in a coup Dec. 31. The curfew will run 12 hours, from 6 P.M. to 6 A.M.

The sources in Abidjan said there were reports of casualties being taken to the military hospital there. They said several hours of shooting and mortar fire ended at about 6 A.M. Wednesday, when Mr. Rawlings made his announcement.

"I'm ordering the remnants and misguided individuals still on the run to surrender," the former air force flight-lieutenant said in a steady voice

The later special announcement called on "rebel troops and soldiers" to turn themselves in. Units that disregarded orders to stay in the capital would be "bombarded from the air," Accra radio said.

Ghana has been virtually sealed off since Sept. 21. The West African nation's land borders were closed then in what the government called an effort to stop a drain on the economy from smuggling, currency trafficking and black marketeering.

One of Africa's richest countries when it gained independence from Britain in 1957, Ghana has slid into bankruptcy, and the government's "holy war" on corruption has apparently failed to arrest the decline.

Accra radio has made no mention of unconfirmed reports that the No. 2 figure in the government, Brigadier Joseph Nunoo-Mensah, resigned this week. Mr. Nunoo-Mensah, the defense staff chief, is considered the leading moderate in the increasingly Marxist government.

Irish Vote Amid Calls for Austerity, Stable Government

By Kevin McKenna
International Herald Tribune

DUBLIN — "We've got to have a government that's in long enough to do the job," said Joyce Byrne, a housewife, as she left her polling place Wednesday on Dublin's Northomberland Road.

If her tone seemed a bit urgent the reasoo was evident. Despite agreement among the major parties that fiscal austerity is necessary to escape from an economic crisis, Ireland has been unable to produce a government that can put such a policy into practice and survive.

Wednesday's elections were the third in 18 months for Ireland, a country accustomed to voting every four years. Coanting will begin Thursday morning but because of Ireland's complex system of proportional representation the exact makeup of the Dail, the 166-seat lower house of parliament, may not be known for days.

The last two governments, although led by parties of the center right, have been dependent on support from leftist parties and independents. Consequently, oeither lasted more than eight months and both ultimately fell on fiscal questions. There is concern that the next government may fare no better.

"We want this kind of hung Dail system like a hole io the head," said Basil Chubb, professor of political science at Trinity College. "It's different in countries like Italy where they're used to oot having a government for awhile and it doesn't cause great problems. If we ran up against this again, exasperation would ensue."

There is already exasperation with Ireland's economy, which only three years ago had a growth rate that was the envy of much of Western Europe. Now it has the second highest unemployment rate in the European Community, 13.5 percent, and annual inflation is 17 percent.

The major parties, Fianna Fail and Fine Gael, both cite the need for more austere budgets after a period of rapid spending growth that saw government debt rise to 11 billioo Irisb pounds ($14.7 billion), almost half of it foreign debt.

As a result, the latest campaign was not filled with promises of plenty. "We will not, as a community be able to afford for some time to come the vast array of social services to which richer countries have been accustomed in the past," Prime Minister Charles J. Haughey, the Fianna Fail leader, wrote last week in The Irish Times.

His party proposed an 8-percent cut io real terms in current public spending, a tax increase, new charges for government services and a reduction of 4,000 in the number of public employees.

Fioe Gael, led by former Prime Minister Garret FitzGerald, was not so specific. But it adopted a similar tooe, and its likely partner in any coalition government, the Labor Party, will "probably go along with retrenchment" despite its Social Democratic orientation, said Tom Garvin, lecturer in political science at University College, Dublin.

"Both sides recognize the problem," be said, "but its not going to be very pleasant for any politician to deal with over the next few years."

The electorate, "if anything, is moving to the right," Mr. Garvin added. "People realize it's going to be difficult and there's a certain willingness to put on the hair shirt."

But two governments have already fashioned such a fiscal policy at their own expense. Mr. FitzGerald's minority coalition of Fine Gael and Labor fell on Jan. 27 after seven months in power when its budget plan was rejected by one vote, in part because it imposed a value-added tax on clothes and shoes for the first time.

Fianna Fail picked up three seats in the February election, enough for Mr. Haughey to form a minority government with the support of four leftists — the three members of the Workers' Party and an independent, Tony Gregory. It managed to push through a budget in March. But on Nov. 4, when the Workers' Party deserted him over cutbacks in health spending and Mr. Gregory abstained, the government fell again.

Io the latest campaign both Mr. Haughey and Mr. FitzGerald stressed a need for a stable government and each cootended that his party was in the best position to produce one. But as the campaign continued, the chances of anyone receiving a majority seemed increasingly remote.

The last pre-election poll indicated that Fianna Fail will remain the largest single party but will lose a few seats — just enough, perhaps, to bring another switch in prime ministers but a government no stronger than before. So a small faction on the left may again call the tune when the next Dail convenes Dec. 14.

The Workers' Party leader, Tomas Mac Giolla, has already indicated that the party would not block the formation of a minority government but would vote against a budget when presented. Beyond attempting to win concessions, he seeks to force a Fianna Fail-Fine Gael coalition on the right — considered highly unlikely — and a division of Irish politics along ideological lines.

The Irish system in which three to five members are elected from each constituency on a proportional basis makes it easier than under the British or American systems for small parties and independents to gain seats.

It also makes close elections hinge on how the final seat goes in five-member constituencies — and that may take a dozen or more rounds of counting to determine. By one reckoning a switch of only 800 votes in 16 constituencies last February would have given Mr. Haughey an outright parliamentary majority.

"The British and American view is that it's much more convenient if a government has a majority," Professor Chubb said. The Irish system, he said, "is only a weakness if you think the purpose of an election is only to create a government, and you give away fairness."

But Mr. Garvin, citing the role of minor parties and the current stalemate, said it may be a case of "fairness gone mad."

WORLD BRIEFS

Mitterrand Begins 3-Day Cairo Visit

CAIRO (NYT) — President François Mitterrand of France arrived in Egypt on Wednesday for three days of talks with President Hosni Mubarak aimed at strengthening what he called the "special relationship" between the two countries.

No statement was issued after the two leaders' first meeting. Foreign Minister Kamal Hassan Ali of Egypt also conferred with the French minister of external relations, Claude Cheysson.

Mr. Ali said, "We discussed the Lebanese crisis and the Egyptian and French position thereon, and the question of ending Israeli and foreign occupation of Lebanon." He added, "We reviewed efforts for a peaceful settlement of the Palestinian problem and President [Ronald] Reagan's initiative."

Syria Rejects Partial Lebanon Pullout

DAMASCUS (UPI) — Syria has rejected a proposal by Philip C. Habib, the special U.S. Middle East envoy, for a partial withdrawal of its 40,000 troops from Lebanon, the official media said Wednesday.

The veteran envoy, who arrived in Damascus from Beirut on Tuesday, flew to Israel Wednesday morning to continue his negotiations. A U.S. spokesman said that Mr. Habib's only meeting in Damascus was a two-hour talk Tuesday with Foreign Minister Abdul Halim Khaddam.

The official newspaper Tishrin said that Mr. Khaddam had refused to agree to a partial withdrawal of Syrian troops from Lebanon because he was not given any guarantee that Israel would do the same.

PLO Leadership Reportedly Meets

DAMASCUS (Reuters) — Yasser Arafat, leader of the Palestine Liberation Organization, arrived in Syria from Algeria on Wednesday and chaired a meeting of the PLO leadership, Palestinian sources said.

They said Mr. Arafat was due to preside over a larger meeting of PLO leaders Thursday night. This session of the 60-man Palestine Central Council is due to discuss when and where to hold the next meeting of the Palestine National Council, the Palestinians' parliament-in-exile.

The series of meetings in Damascus, which the sources said was aimed at mapping out the PLO's strategy for the coming year, had been delayed for several days, apparently by tension between Mr. Arafat and the Syrian government.

Smith Is Held Briefly in Zimbabwe

HARARE, Zimbabwe (UPI) — Ian Smith, the former Rhodesian prime minister, said Wednesday he was among 26 whites held briefly by the police Tuesday on suspicion that they were holding an illegal political meeting.

Mr. Smith said he, his wife, Janet, and several members of his Republican Front Party were among 26 whites taken to the Harare central police station from an art exhibition held in a city shop. Mr. Smith speculated that the arrests were "part of a game they are playing to get at me and my party because we oppose a one-party state."

"We didn't know why we were being held and only during interrogation were we told that the police had been tipped off that we were holding an unauthorized political meeting," Mr. Smith said. All 26 whites were interrogated individually before being released, the last leaving the police station in the early hours of Wednesday, Mr. Smith said.

For the Record

REYKJAVIK (UPI) — Iceland's three-party coalition government of Prime Minister Gunnar Thoroddsen survived a confidence vote Tuesday night by two votes in the Althing, the nation's parliament. The Social Democrats called for the vote in an effort to bring about early elections.

PARIS (UPI) — The first Mirage-2000 fighter-bomber destined for the French Air Force made its maiden flight at Bordeaux-Merignac air base, the builders, Dassault-Breguet Aviation, announced Wednesday.

ROME (Reuters) — Italy's labor federation staged a four-hour strike by industrial workers Wednesday to press wage demands as the prime minister-designate, Amintore Fanfani, struggled to put together a coalition government.

Underground Activist Sentenced in Wroclaw

By John Kifner
New York Times Service

WARSAW — Ooe of Solidarity's top noderground organizers was sentenced to six years in prison Wednesday for attempting to carry on union activity under martial law.

Wladyslaw Frasyniuk, a member of the clandestine five-member coordinating committee and the leader of the Silesian mining and industrial regioo, was given the sentence by a three-judge summary court proceeding in Wroclaw.

Meanwhile, in what appeared to be an orchestrated campaign leading up to the lifting of martial law in the next few weeks, a citizens advisory body set up by the authorities called on the Polish parliament to pass a bill lifting military rule as soon as possible and mandating the release of all interned Solidarity activists and amnesty for those in jail.

The group said in a statement Wednesday that it believed "the idea of national agreement has taken deep root in the country."

The government of General Wojciech Jaruzelski, apparently believing that it has broken the support for the outlawed independent trade union Solidarity, has started a series of highly visible conciliatory measures in recent days. Among these was the freeing of Lech Walesa, the Solidarity leader, and the renewing of an invitation to Pope John Paul II to visit his native land.

Government officials have been hinting strongly at the possibility of the lifting of martial law at a special session of the Sejm, or parliament, called for Dec. 13, the anniversary of the military takeover.

Mr. Frasyniuk, seized with the other activists on a Wroclaw stairway as he was going to a meeting, was the most important fugitive Solidarity activist arrested by the authorities since the imposition of martial law.

His arrest was regarded as a major blow to the underground because he had been regarded as the most skilled organizer.

The chief judge of the court, calling the 27-year-old mechanic a "romantic political dreamer," said that be was oot being punished for his political views but for his activities under martial law.

Mr. Frasyniuk had become somewhat of an underground bero until his arrest, eluding police by traveling in disguises that included dying his hair and growing a beard. By one account, he lived in more than 30 dwellings while in hiding.

The Solidarity leader had frequently signed strike calls and directives from the underground coordinating council. During demonstrations in the region Aug. 31, four men were killed by police gunfire.

The prosecutor had demanded a 10-year sentence, partially as a warning to those engaged in underground activity. The court was a summary proceeding from which there could be no appeal.

Despite his prominence, Mr. Frasyniuk's sentence was somewhat lighter than other, less important Solidarity activists who had been charged with criminal offenses in the early days of martial law. Many were sentenced to up to 10 years in prison.

Wladyslaw Frasyniuk

Baha'i Group Reports Execution by Iranians

Reuters

LONDON — A follower of the Baha'i religion has been executed in Iran and three others have been sentenced to death for refusing to recant their faith, a Baha'i group said here Wednesday.

The National Spiritual Assembly, a Baha'i organization, said Ziaollah Ahrari was shot by a firing squad in the southern city of Shiraz last weekend and that the three other Baha'is were condemned to death by an Islamic court. It said 40 Baha'is had been imprisoned in Shiraz in the past month. Last week, two Baha'is were reportedly executed and one murdered.

OAU Summit on Verge of Collapse Over Issue of Chad's Delegation

United Press International

TRIPOLI — The Organization of African Unity summit was near collapse Wednesday as the organization's chairman, President Daniel Arap Moi of Kenya, prepared to return home after failing to resolve a dispute over seating a delegation from the pro-Western government of Chad.

"Unless something dramatic happens, which I donbt, the chances of holding this summit look like nil," one source said.

Conference sources said a six-nation crisis committee was making little headway in an attempt to save the summit.

Mr. Moi, a key figure in the crisis committee, met again with the opposing sides, but then announced he would leave for Nairobi with his entire delegation.

Observers interpreted Mr. Moi's impending departure as a sign that the African summit, which was to have opened Tuesday, was in serious difficulty.

The delegation of Libya's leader, Colonel Moamer Qadhafi, was leading the campaign to block the seating of the Chad government of Hissène Habré.

Colonel Qadhafi, who is scheduled to assume the rotating OAU chairmanship at this summit, supports a faction based in northern Chad that is led by Goukouni Oueddi, the man Mr. Habré deposed.

In Paris, Chad's foreign minister, Idriss Miskine, delayed his departure for Tripoli and insisted that Mr. Habré's government would accept no compromise as to its participation in the OAU summit.

"We stand by basic OAU rules, and we are determined to be the only legal Chadian delegates in Tripoli," he said.

Fifteen nations boycotted an OAU foreign ministers meeting last week, backing Mr. Habré. The walkout has deprived the summit of its necessary two-thirds quorum of 34 states.

Three states, Egypt, Somalia and Sudan, have refused to come to Tripoli for the summit because of poor relations with Colonel Qadhafi.

The six-nation crisis committee, composed of Tanzania, Mali, Libya, Congo, Zambia and Mozambique, was successful in resolving an earlier dispute that forced postponement of the summit last August, when the OAU's seating of the Polisario Front triggered a 21-nation walkout led by Morocco, which is fighting the guerrillas for control of the Western Sahara.

The committee convinced the Polisario to stay away from the Tripoli summit for the sake of African unity.

Mr. Goukouni was forced out of Chad by Mr. Habré's forces in Juoe, seven months after Libyan troops, who had fought alongside Mr. Goukouni's forces against Mr. Habré, withdrew in favor of the OAU's first peacekeeping force.

Mr. Habré has accused Libya of trying to restore Mr. Goukouni to power as a prelude to merging the two nations in an Islamic federation.

EC Challenges Greece On Monopoly of Drugs

By Andriana Ierodiaconou
International Herald Tribune

ATHENS — The European Commission has advised the Greek government that plans to impose a state monopoly on the supply and distribution of drugs would infringe on EC free competition rules. This could lead to the first case against Greece in the European Court.

Industry sources said several West European and American drug companies had complained to the commission about the Greek plans to monopolize the pharmaceuticals market.

The issue has also brought the Socialist government of Andreas Papandreou into bitter conflict with private drug manufacturers in Greece. The government asserts it is acting to protect consumers from profiteering and price increases.

According to Western diplomatic sources, the issue was raised Monday in Athens at the start of a special EC meeting with Greek officials to discuss alleged infringements on community regulations.

The first two articles of the bill providing for the creation of government agencies to supply and administer the drug market were approved by the Greek parliament just after the meeting Monday.

According to EC observers, the commission contends that the bill's provisions violate free competition rules and provisions on the free circulation of goods. Greek insistence on applying the bill could lead to a European Court case against the government.

EC observers say that Greece is infringing on several hundred community regulations and has only implemented 1 percent of more than 700 directives since becoming a full EC member in January 1981.

Greece maintains that its pharmaceutical laws are covered by a Treaty of Rome provisioo that exempts matters of public health and national security from EC regulations. Critics contend that the argument is weakened by the inclusioo of cosmetics in the bill.

U.S. Rules 'Pot' Isn't a Sacrament

United Press International

PORTLAND, Maine — The First Amendment does not protect people who import marijuana for use as part of a religious ceremony, a federal judge has ruled.

The ruling came during a preliminary hearing Tuesday in the case of 16 persons facing trial on charges of smuggling 25 tons of marijuana into nearby Stoniogton in 1980. The defendants have said they are members of the Ethiopian Zion Coptic Church and the marijuana was to be used for sacramental purposes.

Federal Judge Edward T. Gignoux said the First Amendment protects the religious beliefs of church members, but not when they pose a substantial threat to public health and welfare.

U.S. Network Says South Africa Film Was Sabotaged

New York Times Service

JOHANNESBURG — The producer of an ABC News television documentary on black labor unions in South Africa says that the film his crew shot was ruined in a way that led the network's technical experts to conclude that the destruction was sabotage.

Christopher Isbam said Monday that circumstantial evidence indicated that the 12,000 feet (4,000 meters) of film shot in five days in Port Elizabeth had been deliberately exposed to light after it was checked through on a South African Airways flight from Port Elizabeth to Durban on Oct. 9.

In addition, 80 rolls of magnetie tape, the sound track for the film, were said to have been wiped clean with a high-powered magnetie eraser.

Mr. Isham, reached by telephone in New York, said the film had been examined by Du Art Film Labs Inc., the laboratory that does the processing for ABC News, and then by experts from Eastman Kodak Co. "As soon as it was processed, Du Art called our production manager and said, 'You've been sabotaged,'" he said.

Baren du Plessis, the depnty minister for information, expressed shock when told Tuesday evening of the American network's experience. "I can assure you that I know nothing of this whole episode," he said, adding that he would try to find out what happened.

Exocets Now Reported As Flown to Argentina

United Press International

BUENOS AIRES — Eight new French-built Super-Etendard fighter-bombers and a quantity of Exocet missiles have arrived in Argentina by air, the private oews agency Noticias Argentinas said Tuesday, citing military sources.

The agency said the planes and the missiles were airfreighted from France and not shipped aboard the freighter Bahia San-Blas as originally announced. The agency quoted military sources as saying the shipment was part of a "carefully-mounted military plan" designed to avoid "interference which could affect the equipment destined for the armed forces."

UNESCO Leader Sees Growth in Inequalities

The Associated Press

PARIS — Ahmadou-Mahtar M'Bow, director-general of UNESCO, painted a grim picture of the world today and said that growing inequalities were leading people to despair.

Addressing a two-week conference that will prepare a program of activities for the organization for the next decade, Mr. M'Bow said that the increasing interdependence of peoples and nations made them more vulnerable.

He presented a 256-page document prepared by the secretariat of the United Nations Educational, Scientific and Cultural Organization that outlines its policies and programs for 1984-1989. The "medium-term draft plan," to be approved by delegates from 158 member nations and the Palestine Liberation Organization taking part in the meeting, bas chapters on education, technology, science, status of women, communications and human rights.

In his hourlong speech analyzing the world situation, Mr. M'Bow contrasted inequalities with the billions of dollars and human resources invested in the arms race, which he said dominated the international scene.

He said that the people of some nations had incomes 20 times higher than others and could hope to live 20 years longer.

"Hundreds of millions live in absolute poverty without access to drinkable water or health care," Mr. M'Bow said. "There are 100 million illiterates, and this in the next to last decade of the 20th century."

Speaking of human rights, Mr. M'Bow said that the concept was being expanded and enriched. However, he added, "It is recognized more and more that not only individuals but also peoples should enjoy their own rights."

During a meeting of UNESCO's executive board in September, several Western countries expressed concern about what they viewed as a vaguely defined concept of peoples' rights taking precedence over individual human rights.

Mr. M'Bow said that peoples' rights and human rights were two sides of the same coin. He condemned apartheid and racism and said that it was imperative for UNESCO to inform the world about the practices of the white minority government in South Africa, and South-West Africa, also known as Namibia.

Mr. M'Bow called for the elimination of discrimination based on sex and said that improving the status of women was a major concern of the organization. He said that it formed a backdrop to all the problems it dealt with.

On communications, he said that UNESCO was the best forum to discuss ways to eliminate obstacles "so that men and nations can have access to all sources of information, and to freely express their points of view."

CORRECTION

A photo caption in Wednesday's Herald Tribune gave an incorrect title for Secretary of Defense Caspar W. Weinberger.

Suspect Aids U.S. In 1981 Case of Brink's Robbery

New York Times Service

NEW YORK — One of the leaders of a group charged with several armored-car robberies and murders has pleaded guilty to federal charges, representing the first conviction stemming from a 1981 Brink's robbery in Rockland County, New York.

The guilty plea was made in Manhattan on Tuesday by Tyrone Rison, 35, a Georgia resident, who agreed to cooperate with federal authorities, providing a major breakthrough in the investigation. Mr. Rison was in federal custody serving a 12-year sentence for a bank robbery in Georgia, the prosecutors said.

Mr. Risou admitted his participation in the 1979 escape of Joanne Chesimard from a New Jersey prison and in several armored-car robberies, including a 1981 Bronx robbery that involved the killing of a Brink's guard.

He also admitted that he had taken part in three aborted attempts to carry out the Brink's robbery in Rockland County, but said he had not been present at the actual robbery.

Congressmen Say MX Will Need 'Superior Selling Job' by Reagan

By Steven V. Roberts
New York Times Service

WASHINGTON — Republican congressional leaders acknowledge that President Ronald Reagan's plan to deploy 100 MX missiles near Cheyenne, Wyoming, will face serious troubles during the post-election legislative session that begins next week.

Senator Paul Laxalt, Republican of Nevada and Mr. Reagan's closest confidant in Congress, said Tuesday that passage of the plan "is going to require a superior selling job" by the president.

However, Senator Laxalt predicted that the plan would eventually prevail, and even opponents of the missile system admit that it is difficult to oppose a president on an issue of national security.

"I'm optimistic," said Representative Joseph P. Addabbo, Democrat of New York, who is leading House opposition to the MX. "But I'm also leery of the president's charisma. I've lost to him before."

Congress had ordered Mr. Reagan to propose a basing mode for the much-debated missile system by Dec. 1. On Monday, the president announced support of "dense-pack" deployment, which would concentrate all the missiles in a 20-square-mile area in southeastern Wyoming.

Lawmakers will get their first opportunity to review the proposal Tuesday, when the House Appropriations Committee takes up the 1983 military funding bill that now amounts to about $230 billion.

The Defense subcommittee, headed by Mr. Addabbo, voted narrowly last week to retain money for the MX, but he said he would try again to defeat the missile system when it reaches the full committee stage.

He said his first target would be about $1 billion earmarked for actual production of the missile. If that move succeeds, he said he might then try to knock out the remaining money, about $3 billion, allocated for research and development on the system.

After the committee fight, the appropriations bill would go to the House floor, probably during the following week.

If the legislation reaches the Senate during the special session, a band of opponents led by Senator Ernest F. Hollings, Democrat of South Carolina, are lying in wait.

If the arms bill is delayed, the military budget would have to be included in a temporary spending measure, called a continuing resolution. The missile could also come up for a vote in that context.

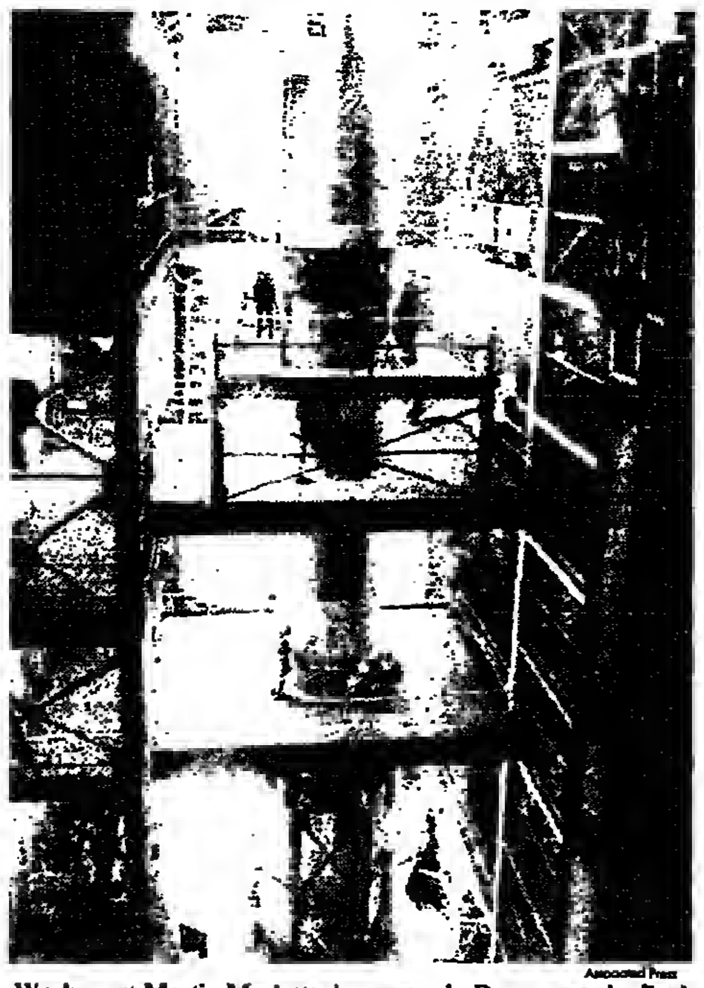
Analysts on Capitol Hill agree that the strongest argument in favor of the missile system is Mr. Reagan's contention that he needs a "bargaining chip" in future arms control talks with the Soviet Union.

Moreover, there has always been a strong presumption on Capitol Hill that the president has the main responsibility for foreign policy and arms control talks. Many lawmakers are reluctant to undermine the president's credibility in these matters.

But Senator Laxalt admitted that the opponents of the missile system have "the makings of an effective coalition," because they cover a broad spectrum of viewpoints. One group believes that the MX system represents a distortion of national priorities and that the money can be better spent on more pressing domestic and military needs.

Other critics argue that the MX system simply will not do its job. Senator Alan Cranston, Democrat of California, said "there is real doubt that we will be able to have the system in place and working before the Soviets, in response, have developed methods to overwhelm it."

A third group says that the "dense pack" could abrogate existing arms control agreements with Moscow and lead to a new escalation of arms spending by both sides.



Associated Press

Workers at Martin Marietta Aerospace in Denver put the final touches on a model of the MX, without propellants or warheads.

U.S. Pershing Missile Missed Target in Test

By Walter Pincus
Washington Post Service

WASHINGTON — The U.S. Army has disclosed that a test of the Pershing-2 missile last Friday was not a complete success as initially claimed and that the missile did not land near its target.

The missile's complex warhead failed to maneuver properly and "did not achieve the desired accuracy," an army spokesman said Tuesday.

The Pentagon said the problem was discovered over the weekend as technicians reviewed data from the test, held at the White Sands Missile Range in New Mexico.

On Friday, army officials announced that the controversial missile, the key to the North Atlantic Treaty Organization's nuclear modernization plan in Western Europe, but which failed its first two flight tests, had a "good flight all the way," and that the warhead had "landed within the target area."

But on Tuesday, an army spokesman said that a loss of hydraulic pressure prevented the control surfaces of the warhead from working. Without these wing-like flaps, the warhead could not change direction on orders from its sophisticated, electronic terminal-guidance system.

However, the spokesman stressed that the primary objective of the test was successful because the rebuilt two-stage engines of the Pershing-2 worked during a test shot that was 200 miles (320 kilometers) almost straight up and 66 miles downrange. In a test last July, the engines misfired, causing the destruction of the initial Pershing-2 test missile 17 seconds after ignition.

[A rocket motor designed to power the second stage of the MX missile exploded last week during a test by the U.S. Air Force, The Associated Press reported in Tullahoma, Tennessee.

[The explosion, on Wednesday, damaged the engine and the test cell it was in, but caused no injuries to technicians conducting the experiment at Arnold Engineering Development Center at Tullahoma, an air force spokesman, Sergeant John Blackburn, said Tuesday.

[The cause of the explosion was being investigated and its impact "on the MX missile development program is under evaluation," Sergeant Blackburn said. The MX, which stands for "missile experimental," is the latest-generation U.S. intercontinental missile. President Ronald Reagan announced Monday that he would deploy MX missiles in Wyoming.]

Leaders of NATO Meet With Kohl

The Associated Press

BONN — Chancellor Helmut Kohl and his cabinet held more than three hours of talks Wednesday with General Bernard W. Rogers and two other senior commanders of the North Atlantic Treaty Organization and reaffirmed Bonn's commitment to deploy new U.S. nuclear missiles next year if necessary.

Diether Stolze, a government spokesman, refused to give details of the talks, but said the meeting showed there was "great agreement" on almost all aspects of military policy between the commanders and the Kohl government.

Besides General Rogers, the West German officials met with Admiral Wesley Lee McDonald and Admiral Sir William Staveley.

U.S. Restrictions Lifted On Duration of TV Ads

By Ernest Holsendolph
New York Times Service

WASHINGTON — The broadcasting industry and the Justice Department have agreed to eliminate restraints on the duration of television commercials.

The consent decree, signed Tuesday by Federal District Judge Harold H. Greene, raised the possibility that eventually all restrictions would be dropped, including those governing advertising content, broadcasting officials said.

The decision settled an antitrust suit that the Justice Department brought against the National Association of Broadcasters on July 14, 1979, charging that it was illegal for the members of the trade group to agree to restrict advertising. The three major networks and their affiliates are members of the industry's leading trade group.

Although it is a party to the agreement, the association issued a strongly worded statement against it.

"This is a sad day for the American public," said Edward O. Fritts, president of the National Association of Broadcasters. "Pure and simple, today's action means that the government does not want television broadcasters to attempt to govern themselves by voluntarily limiting the amount of advertising broadcast into the public's homes."

The agreement eliminates rules that restricted advertising to one product in each 30-second spot, limited the stations to broadcasting no more than five consecutive advertisements and limited advertising to no more than 8½ minutes an hour.

In New York, representatives of CBS-TV, NBC-TV and ABC-TV indicated that the decree would have no immediate effect. They said that any change would be likely to come from independent stations.

In the absence of the restrictions, there has been speculation that individual stations might venture into some taboo areas such as advertising of liquor and contraceptives. But there have been signs that local communities may hold in reserve sanctions more powerful than those of the association or the government.

Young Japanese-Canadians Raise The Issue of Wartime Internment

By Michael T. Kaufman
New York Times Service

VANCOUVER, British Columbia — A group of third-generation Japanese-Canadians is demanding that Canada apologize and pay cash reparations to elderly Japanese men and women who have been quietly bearing 40-year-old memories of wartime humiliation, internment, dispossession and forced labor.

The experiences of the 23,000 ethnic Japanese in Canada during World War II were similar to those of the Japanese in the United States: They were relocated to primitive and remote camps in the months after the attack on Pearl Harbor in December 1941. Men were separated from their families, curfews were imposed and rights of citizenship were suspended.

In the United States, 110,000 Japanese aliens and Japanese-Americans were ordered from their West Coast homes and jobs and placed in evacuation centers, patterned after army camps, where they remained until after the war in the Pacific ended in 1945.

But in Canada it was not until 1949 that the Japanese were permitted to return to this province where they had first settled and, for a while, thrived as farmers and fishermen.

Until recently, the memories of this period were borne quietly and for the most part privately by a generation whose survivors are now in their 70s and 80s. They are people like the Rev. Gordon G. Nakayama, 82, an Anglican priest, who talks of the banishment suffered by his family and his flock with more understanding than bitterness. Mr. Nakayama said he had spent four years in a subarctic camp.

"After all, there was a war and had things happen in war," said the cleric, who has letters from two Canadian prime ministers on the wall of his living room, along with ancestral mementos and a painting of Queen Elizabeth II. "We do not really know what the motives of the government were — whether they were protecting us from mob anger or if they were afraid of us. But we trusted them."

Only when he discussed how the government sold the house he had purchased in 1925 without asking his permission did he show real resentment.

"That was wrong," he said. "We trusted them to look after our property and then one day at the camp we were notified that they sold the house for $1,500 and they sent us a check after deducting $150 for commission."

Like many of the older Japanese, Mr. Nakayama does not like to dwell on the sufferings of the war period. His tone contrasted sharply with that of the successful younger generations, many of whom have only recently learned in detail of the humiliations faced by their parents and grandparents. This was apparent as four of the founders of the Japanese Redress Committee explained here why they felt it essential that both the Canadian government and the Japanese who suffered face up to what happened and set about redeeming honor.

"I grew up in Toronto not speaking any Japanese and not knowing any Japanese people besides my parents," said Cassandra Kobayashi, 30, a lawyer who is about to spend a year in Japan. "My parents never told me what happened, and they obviously wanted me to become a real Canadian."

"I also never really knew exactly what had happened except that my mother's family were well-to-do farmers who somehow lost everything," said Roy Miki, 36, a professor of English literature. "After the war, my father dealt with his pain by going into silence: that is what many of them did."

Tamio Wakayama, a photographer, was born in one of the camps 38 years ago. He did not regard the Japanese experiences here in terms of civil rights until he was commissioned to put together a book and a photographic exhibit to commemorate the centennial of the Japanese minority in Canada. The Redress Committee grew out of that 1980 effort.

Roy Enamoto, 39, the fourth of the founding members, is a social worker. Concerning the attitudes of many of the older Japanese, he said, "There is a lingering sense of unwarranted guilt. They were punished, so perhaps they feel that in some way they may have been wrong. That is one reason why the reparations are essential."

Coup Attempt's Shadow Still Hangs Over Gambia

By Denis Herbstein
International Herald Tribune

BANJUL, Gambia — As the airport bus wound through the hotel district, the guide offered a nugget of information: "The night curfew has been lifted." Two young women from the suburbs of London looked blankly at each other, and returned to their talk of sun, sand and male companionship. Forgotten — if it had ever been heard of — was the attempted coup of July 1981 that almost mired Gambia in bloodshed.

On the surface, life has returned to lethargic normalcy in Banjul, the capital built on a detached sandbank at the mouth of the Gambia River. This year's winter tourist season looks promising, and the peanut crop, which accounts for most of the country's export earnings, has benefited from plentiful rain.

Behind the scenes, however, the former British colony has by no means recovered from the "unfortunate eight-day episode," as the president, Sir Dawda K. Jawara, puts it.

A state of emergency is still in effect. Two mass treason trials began this month, while the Court of Appeal will consider the case of five men who are among the 35 already sentenced to death for alleged participation in the uprising. About another 50 people are in prison awaiting trial.

Also, in a process speeded up by the rebellion, Gambia faces the prospect of unification with the much larger state of Senegal, which surrounds it except for a short Atlantic Ocean coastline.

The reasons given for the coup attempt by its leader, Kukoi Samba Sanyang, were corruption, nepotism, mismanagement and economic deprivation under Sir Dawda's government. Still, the Gambians are proud of the fact that the captured prisoners are standing trial for treason rather than having been summarily executed. And there is other evidence of a national commitment to democracy.

Opposition parties operate fairly freely. Sherif Mustapha Dibba, leader of the National Convention Party, won 27.6 percent of the votes in May's presidential election while imprisoned on charges of complicity in the July rebellion, of which he was subsequently acquitted. Also, Sir Dawda is expected to reprieve many, if not all, of the convicted rebels awaiting execution in Mile Two Prison.

But as Swaebou Conateh, director of Gambia's information service, said, "The coup made one thing obvious — Gambia cannot afford to go it alone, especially in security."

Casualties suffered by the Senegalese Army and gendarmerie place Gambia heavily in the debt of its French-speaking neighbor. Gambia has no army of its own and depended for its security on the Field Force of paramilitary policemen, a large proportion of whom led or joined the rebels. So the Senegalese security forces remain, making up the presidential guard and commanding the security forces at the airport, the harbor and the ferry crossings.

Meanwhile, the two countries have moved closer to political integration. Last February, the Senegambia confederation came into being, with the two countries keeping separate governments but agreeing to merge their economic systems and armed forces and to coordinate foreign policies.

The effect on foreign policy was illustrated last week when Gambia, alone among the English-speaking countries at ministerial talks to prepare for an Organization of African Unity summit in Tripoli, followed the French-speaking governments out of the conference hall in a protest involving Chad's representation.

The French and British civil servants who had traded off bits of West Africa in the 19th century were responsible for the unworkable frontiers which virtually cut off Senegal from Casamance, its most fertile region. But without the attempted coup, said Mr. Conateh, "there would have been no confederation. It acted as a catalyst."

What happens next? First of all, Gambia will set up its own army from scratch, with advice, training and officer facilities provided by Britain. The army will be Gambia's contribution to Senegambian security. And two delicate economic protocols, once signed, would put Gambia firmly on the road to complete integration with Senegal.

The first would begin the progressive elimination of tariff differences. This would end Gambia's role as an entry point for European goods destined for "re-export," or smuggling, across the 500 miles (800 kilometers) of frontier into Senegal, and often into nearby Mali, Guinea-Bissau and beyond. This smuggling is considered Gambia's principal source of revenue. The second protocol, on currency, would bring an end to ties with the British pound in favor of the French franc.

After this, despite promises to the contrary by Sir Dawda, constitutional unity appears to be unavoidable.

Reform of Elite School Is Proving Painful to French Socialist Rulers

By John Vinocur
New York Times Service

PARIS — Socialist France is moving these days to reform the institution that traditionally molds the national governing elite. It is a painful process because many of President François Mitterrand's most important aides have diplomas from the school for power. And many of them have some of the attitudes and style that marked politics here from de Gaulle through Valéry Giscard d'Estaing.

The discomfort surrounding the undertaking is real.

At a recent meeting, it took the cabinet five minutes to discuss the structural causes of French inflation. At the same session, the "democratization" of the Ecole Nationale d'Administration, the traditional manufacturer of the country's ruling class, was debated for an hour and a quarter.

In the end, its entrance requirements will probably change a little and the school will have a new director, but his task, in the words of a presidential aide, will be "not to break that beautiful machine."

The issue causes so much discomfort because it deals directly with what kind of men run things here. Apart from the familiar sound of much of their foreign policy discourse, all the evidence is that they are exactly the same type of people in terms of social class and education that managed France from the late 1950s. Their dilemma is that they are committed to reforming traditional structures that instinctively command their loyalties at hand.

A French political scientist, Ezra Suleiman, isolated the problem two years before Mr. Mitterrand was elected. Once it takes power, he wrote, "the left will be confronted with a grave situation: On one hand, its promises concerning equality require it to radically transform elitist structures; on the other hand, it could be forced to sacrifice its promises, or make some serious compromises, to maintain a certain continuity."

The continuity is certainly there. Taking as a guideline diplomas from the administration school, denounced for more than a decade by Socialists and Communists as the creator of a caste of bourgeois mandarins, the Mitterrand entourage has very much the mark of what the campaign literature described as despised.

Minister of External Relations Claude Cheysson, External Trade Minister Michel Jobert, Planning Minister Michel Rocard and Research and Technology Minister Jean-Pierre Chevènement are all *énarchs*, or graduates of the school, which is usually referred to as the ENA.

So are the advisers at the Elysée Palace in closest daily contact with Mr. Mitterrand: his special counselor, Jacques Attali; his chief of staff, Jean-Louis Bianco, and his counselor for international affairs, Hubert Vedrine.

Founded just after the war, ENA provides the state with a corps of extremely competent, executive-level civil servants, the true administrators of French life. The graduating classes usually number about 140.

About 80 percent of the students at the ENA — about one out of 10 applicants pass the competitive entrance exam — are described as coming from "very privileged milieus" and about 4 percent from working-class backgrounds.

Mr. Mitterrand's thinking about France and its elites, according to a friend, was that the country had to be opened up to people whose politics or trade union background had kept them out of the currents of power.

At the same time, France should become a place where no one felt that their life prospects were closed off when they were 18 years old, that there was a chance, as the friend said, "to get smart and good later."

Although all its details are not worked out, the ENA reform basically opens the school's admission boards to a wider spectrum of judges and sets aside a number of places in the school, probably one out of nine, for candidates who have served as locally elected officials or trade union officials.

By the count of one alumnus, that means about 15 "cut-rate *énarchs*" a year. That, he said, "is not such a bad number if you consider that the Communists and some left-wing Socialists used to go on about shutting the place down. Those who get through will either blend in or be marked down as 'cut-rate' people. My guess is that most will be seduced."

Twice As Much Art for Your Money

WASHINGTON — Flounder rushed into Bass' office at the State Department and cried, "The secretary wants a slide presentation on the elections in Enchilada to show to the American people."

"I anticipated that," said Bass. "I've been putting one together. Sit down.

"This is the Garcia family, which lives in Miami and which financed the Liberal Peasant Assassination Party of Miguel Tortilla."

Buchwald

"Who is Tortilla?"

"He is known as 'The Hammer' because his people like to beat on opposition politicians with hammers. In 1971 we called him Enchilada's 'Criminal of the Year.' But he got 25 percent of the vote."

"Wow, it's going to be hard for us to support him."

"Not necessarily. We found a

WASHINGTON — Every time Secretary of Defense Caspar Weinberger goes abroad, I get the willies. The success of every mission seems to be based on how much U.S. military equipment he can give or sell to the country he visits, as well as his ability to persuade the head of the state he is drinking tea with to build up his armed forces.

Buchwald

I don't mind when Weinberger does a selling job on a Third World power, but I start shaking when he puts pressure on a country like Japan to get its military act together.

This is what Secretary Weinberger has just done on a trip to Tokyo. He wants the Japanese to rearm and become a military power to be reckoned with.

To those of us who served in World War II, memories die hard when it comes to allowing a power-

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France Rehabilitates Algeria-Coup Generals

By Robert Evans
Reuters

PARIS — President Francois Mitterrand of France, brushing aside strong opposition from his own Socialist Party and its Communist allies, has rehabilitated four generals who led an abortive rightist coup from Algiers in 1961.

Mr. Mitterrand, who bitterly condemned the generals at the time of their putsch against de Gaulle, sent the rehabilitation measure to the Socialist-controlled parliament Tuesday night as an issue of confidence in his administration.

The president's maneuver headed off a potentially damaging confrontation with Socialist deputies in the National Assembly who voted last month to exclude the four generals from a government bill restoring the rights of officials involved in the coup.

The deputies, led by Pierre Joxe, argued that because the generals had been guilty of treason against the republic their crime should not be forgiven.

But Mr. Mitterrand, through Prime Minister Pierre Mauroy and other ministers, insisted that all of the 2,000 senior officers, policemen and civil servants involved in the coup attempt should be covered by the bill, which gives backdated pension rights and restores service ranks to the officials.

The four generals, of whom Raoul Salan, 85, and Edmond Jouhaud, 77, survive, were expelled from the army for their part in the attempted coup, launched after de Gaulle said he would grant independence to Algeria. The other two have died: Maurice Challe in 1978, and André Zeller in 1979.

Facing warnings from Mr. Joxe and a majority of his parliamentary colleagues that they would have to vote against the bill on its second reading, the president invoked a rarely applied constitutional provision.

This allows the government to make a bill an issue of overall confidence in its policies. The legislation is then passed automatically without a vote if no motion of censure is offered by any party in the National Assembly within 24 hours.

No party is expected to present a motion of censure.

United Press International

RELATIVES' RELEASE DEMANDED — Palestinian and Lebanese women staged a demonstration Wednesday outside the Beirut office of Prime Minister Shafiq al-Wazzan of Lebanon, demanding the release of relatives who were detained by the Lebanese Army in West Beirut after the deprture this summer of Palestine Liberation Organization forces.

Christians, Druze in Lebanon's Chuf Say Israel Has Encouraged Fighting

By David B. Ottaway

Washington Post Service

KFARMATTA, Lebanon — The bloodletting between Christians and Moslem Druze has been over in this Chuf mountain village for a month now. The Lebanese Army has moved in to keep the peace and the Israelis and their Christian militia allies bave gone.

Yet the Christians, many of whose homes were badly damaged in the fighting, have mostly abandoned this Druze-dominated village out of continuing fear for their safety. Half the streets are abandoned, many stores closed and the one village school destroyed.

"Before, we bad peace in the area," said the Druze mayor, Fuad Khadaj, sadly. "We lived together like one big family. Then the Israelis came and played Christians against the Druze."

The mayor blamed the current plight of Kfarmatta, a mountainside village of 5,500, on the Christian Lebanese Forces which he said had come here in July, set up a checkpoint and then opened a training camp with Israeli blessings — all in the name of protecting the minority Christian population.

Soon the Christians fell to bickering, and then fighting, with the militia of the Druze Progressive Socialist Party whicb dominates politics here, as in most Druze villages of the Chuf.

Najib Haddad, 84, a Christian farmer, said that only seven of the 100 Christian families remained after the fighting stopped, most of them made up of old people like himself. He said they were not likely to come back right away because their bomes were damaged, winter rains had set in and, above all, "they are afraid."

The Christians fear the Druze will massacre them, as they have in the past. The Druze, for their part, are up in arms because the 20,000-member militia of the Lebanese Forces has moved into the Chuf behind the Israeli Army. They say the Christians are out to impose their authority on the historic mountain stronghold of the Druze.

The Druze, who number about 200,000 in Lebanon, are an offshoot of the Shiite branch of Islam but have their own esoteric practices. They were traditionally the feudal lords of the Chuf, and the Maronite Christians were their serfs who progressively bought laod and implanted themselves, sometimes in separate communities but often living side by side with the Druze. Today the Christians are outnumbered two to one by the Druze.

Officials of the Lebanese Christian militias say they are only trying to establish a balance of power between Christians and Druze and end what they allege is the Christian status as second-class citizens.

About the only thing Druze and Christian leaders here seem to agree on is that Israel has played a major and deliberate role in stoking the flames of sectarian strife, both sides citing numerous specific incidents as proof.

When asked wby it might be doing this, the constant refrain from both Druze and Christians is, "divide and rule."

Here and in a half-dozen other villages of the Chuf this past week, both Druze and Christian villagers accused the Israelis of offering, or providing, arms first to one side and then to the other. One village they cite where this allegedly happened is Ain Zhalta, in the eastern Chuf.

The Israelis, they say, have even fired into both Christian and Druze quarters, as here in Kfarmatta, and they believe this was done to get the two sides shooting at each other.

Even top officials of the Lebanese Forces, Israel's closest ally in Lebanon, now seem to believe their supporters are deliberately inciting trouble for their own political ends.

"The Druze have the green light from Israel," said Karim Pakradouni, a top Lebanese Forces figure. He added, "Israel is using the Chuf with the aim of pressuring [President Amin] Gemayel," referring to the Israeli demand for a peace treaty or at least the normalization of relations between the two countries.

Particularly troublesome to Lebanese Forces leaders is why the Israeli Army suddenly pulled out of the village of Kfarnabrakh on Nov. 8 just before a Druze attack on a Christian funeral procession that left 10 dead and 13 wounded. Later, tbey returned again.

Even Fady Frem, the new leader of the Forces' command council, is publicly asking this quesnon while still saying there is no concrete proof of Israeli guilt in instigating incidents in the Chuf.

To what extent Israel is responsible for the worsening strife is debatable, but there can be little doubt its policy in the Chuf has abetted, wittingly or not, the rekindling of traditional animosities between the two communities.

From the time the Israeli Army entered the Chuf during the first week of its June invasion of Lebanon, it bas been working band-in-hand with the Lebanese Forces seeking to expand its authority there.

In Beit Iddin, the old government summer capital, the Israelis even forced a mostly Druze battalion of the regular Lebanese Army to leave its barracks, after it mildly resisted their entry into the town, and then turned them over to the Lebanese Forces.

In Jezzine, further to the south, the Israelis have allowed the Lebanese Forces to set up two training camps deep inside a region supposedly coorrolled by the Christian-led militia force of their other ally, Major Saad Haddad.

On the main Beirut-Damascus highway and in a half-dozen Chuf villages like Souk el Ghareb and Chamlan, the Lebanese Forces are allowed by the Israelis to man checkpoints and check idenuity papers — a major source of irritation to the Druze.

At the same time, the Israeli Army, under pressure from Israel's own highly vocal Druze population, has allowed the Druze of the Chuf to keep their arms and militia and also have gotten deeply involved in their internal politics.

It has established a close relationship with Majid Arslan, the leader of the conservative Druze faction, and has tried to forge an alliance between him and the Lebanese Forces against Walid Jumblat, the leftist Druze leader whose Progressive Socialist Party.

Israeli Druze leaders come and go freely through Israeli Army lines in southern Lebanon to the Chuf, and there are persistent reports that Druze milinamen, whieb Israel armed and organized in the southern town of Hasbaya, have come north to aid their brethren here.

On Tuesday, the situation was still extremely tense throughout the Chuf, with the Israelis, Lebanese Forces and Druze all guarding roadblocks at various points and cutting access to some towns after eight bodies, reportedly Christians, were found in the bottom of a well in Ain Zhalta.

■ **Iranian Attack Reported**

Earlier, the Washington Past reported from Beirut:

Lebanon had "pretty reliable sources" which said that members of ao Iranian Revolutionary Guard contingent in the eastern town of Baalbek were behind an attack Monday night on the Lebanese Army barracks there which left three of the masked attackers dead and two Lebanese soldiers wounded, according to a high-ranking Foreign Ministry source.

The issue of Iranian involvemeot was discussed in a meeting Tuesday between Foreign Minister Elie Salem and Musa Fakhr-Ruhani, the Iranian ambassador, who was said to have denied there were any Iranians in Baalbek at all.

Lebanese security sources Tuesday ideotified one of the men killed Monday night in the attack on the barracks as belonging to a Lebanese armed organization which it did not name, and a second as "an Iranian national."

The trouhles began Sunday when demonstrators occupied the city ball and tore down decorations for celebrations marking Lebanon's Independence Day.

El Al to Be Dissolved, Opening Way For Creation of New Israeli Airline

Reuters

JERUSALEM — El Al, Israel's state airline, announced Wednesday that it was going into liquidation, opening the way for the government to set up a new national carrier.

After weeks of negotiations, the company said it had failed to win the support of its 5,000 employees for a drastie reorganization. The airline has accumulated a deficit of more than $200 million in the last four years and has been plagued by labor disputes.

The company's shareholders decided to "dissolve El Al and turn the decision over to the government and the court of law," the airline's chairman, Nachman Perl, said. El Al, Mr. Perl said, would be put in the hands of receivers.

The Israeli government owns most of El Al's shares and had said earlier that it would dismantle the company if negotiations with trade unions failed. The government has talked of setting up a new airline and Finance Minister Yoram Aridor said he expected that another national carrier would be established.

El Al unions, among Israel's most militant groups of workers, were expected to cootest the decisioo fiercely. "We will do everything to get El Al back into the skies," said Gabi Saltzman, a union representative.

Last month, airline employees and their children blocked roads and runways at Ben-Gurioo International Airport for more than a day to protest a liquidation threat by the government.

In September the El Al board grounded planes over a dispute with cabin staff. It resumed negotiations on staff cuts and wage reductions, but failed to gain the pilots' agreement to fly longer bours. The pilots said it would flout air safety regulations.

El Al has also been ordered by the government not to fly on the Sabbath and Jewish bolidays.

The move was initiated by religious parties in Prime Minister Menachem Begin's rightist coalition. El Al estimated the order would add another $30 million to its annual losses.

Set up after the birth of modern Israel in 1948, El Al at one stage operated an international oetwork that stretched to Europe, southern Africa, North and Central America and Iran.

Its routes began shrinking after the 1973 Middle East war because of increasing fuel prices, competition from charter flights and Arab efforts to limit its operations.

A national airline is viewed as vital to Israel's strategic interests to ensure that the country is not cut off from the world in wartime and can transport reservists.

El Al's present fleet consists of 18 Boeing aircraft — eight jumbo 747s, eight 707s, and two 737s. Four Boeing 767 aircraft are oo order.

The government controls 75 percent of El Al's holding shares, the United Jewish Appeal owns 15 percent and the remainder is in the hands of several large corporations.

El Al workers have said the government was using the airline as a test case to trim unprofitable state companies. The staff, wbo earn wages far above the national average, gained only scant support last month when trade unions tried to organize sympathy strikes.

U.K. Labor Team Stays Unchanged

Reuters

LONDON — Michael Foot, leader of Britain's opposition Labor Party, named a largely unchanged shadow cabioet Wednesday after the promotion of one of his allies was blocked.

The shadow cabinet, Mr. Font's team of spokesmen in the House of Commons, is composed of the Labor leaders wbo will lead the party against the Conservatives in the next general election.

Political sources said Mr. Foot wanted to promote his educatioo spokesman, Neil Kinnock, to the post of employment spokesman. Unemployment of 3.3 million workers is likely to be the dominant issue in the next election. But the party treasurer, Eric Varley, fought successfully to stay oo as employment spokesman.

Yugoslav Bus Crash Kills 5

The Associated Press

DUBROVNIK, Yugoslavia — Five persons were killed and 29 injured when a bus fell into a ravine near this Adriatic resort Wednesday, police said. They said that they had not yet determined why the bus, carrying 50 passengers, went off the major highway and fell into the ravine.

International Herald Tribune

Published With The New York Times and The Washington Post

Doubts on 'Dense Pack'

By deciding to deploy 100 MX missiles in a "dense pack" base, President Ronald Reagan is planning strategic warfare according to the principles of jujitsu — using the opponent's own strength and weight to flip and defeat him. The closely spaced silos are meant to save at least half the missiles under attack. The blast, radiation and debris from the first enemy warheads would deflect or destroy those that follow: that is "fratricide." If this scheme assured the survivability of U.S. land-based missiles, it would be worth $26 billion.

But there are many deep doubts. The jujitsu might work in reverse, flipping the United States into greater vulnerability. The White House plucked this quick fix out of nowhere to meet an unwarranted Congressional deadline nf Dec. 1 — after a futile, decade-long search among 34 other basing plans. That does not necessarily disqualify dense pack. But it certainly argues for the most searching Congressional scrutiny.

One claim for the new weapon should be laid aside quickly. Mr. Reagan presented the most provocative military scheme of his presidency as an arms *control* measure; his press spokesman went so far as tn refer to the MX as a "hargaining chip." But the Reagan arms control proposals do not offer to abandon or reduce this deployment. Besides, the history nf nuclear bargaining chips is that they are rarely persuasive uotil deployed, and once deployed they are very hard to abandon.

The technical issues are beyond us: perhaps nnly a few dozen Americans are qualified to make the necessary engineering and military calculations. Critics have envisaged new technologies that could defeat the plan, and the Pentagon acknowledges that the Russians might develop them. So the argument is over how fast dense pack could be deployed and how long the Pentagon could stay ahead of Soviet responses.

Dr. Charles Townes, the Nobel physicist who directed the administration's two main MX studies, is extremely skeptical about the time it would take to develop the super-hard silos required by dense pack. The delays involved could invalidate the concept. Even the administration's timetable gives the MX only a brief gap-closing role pending deployment of a truly invulnerable and stable system, the submarine-launched Trident-2. Not many MX missiles would be deployed until 1987; the first 24 Trident-2's will be at sea by 1989.

The main argument for MX is that it would be a match for the heaviest Soviet missiles. It is a highly accurate first-strike weapon, carrying 10 warheads designed to destroy Soviet missiles in their silos. But in a dense-pack base, it would have to be fired within hours. If the Russians thought it vulnerable, it could in a crisis evoke a preemptive attack or cause a president to fire too soon.

An effective defense should be moving the arms race toward stability. Congress should ask, again and again, whether the United States really wants a weapon that buys so little time but ignites so many risks.

—*THE NEW YORK TIMES.*

Helping the Lebanese

What Lebanon oeeds is quite clear and quite difficult. It needs all the belp it can get in removing foreign forces: Israel's, Syria's and those of the Palestine Liberation Organization. But the Lebanese are out of the habit of self-restraint, and so that they do not simply resume their mutually murderous ways, those foreign fnrces must be replaced by a larger, more vigorous peacekeeping unit supported by many nations. The two steps must go hand in hand.

To he sure, this has been the plan for Lebannn since last summer. The difficulties of putting it into effect, however, have loomed larger since it became evident that the withdrawal target of the end of the year was a fantasy. A certain level of sectarian strife and local insubordinatioo has resumed, and talks on foreign withdrawal have yet to get off the ground. There is a tendency in some quarters to flee from the sheer disagreeableness of the situatioo into a simple critique of one party, mostly Israel.

The criticism is typically exaggerated and nasty. The fact is, however, that Israel does have a whole other and higher priority than seeing Lebanon made bealthy and whole again. It is to remake Lebanese-Israeli relations. One can understand why the Israelis, having paid in blood, treasure and international standing for their invasion, should want to set the price of their withdrawal. Lebanon, however, is the victim state.

The Israelis can reasonably ask to coordinate their withdrawal with Syrian and PLO withdrawal and with entry of an enlarged multinational force suitable for, among other purposes, ensuring the security of the Israeli border. They cannot expect to dictate the terms nf a new Israeli-Lebanese political relationship, which will be flawed precisely as it is extracted under duress.

Does the United States really want Israel and the others out of Lebanon? The answer stated hy officials is yes, but a different answer is indicated by American hesitancy to accept the implications of the Lebanese government's frailties. First among these implications is the requirement for a beefed-up multinational force, nnt just around Beirut but in southern Lebanon and also in the north, wbere PLO forces now guard about 50,000 Palestinian refugees. The gaps in the protection available from the Lebanese Army can be filled only slowly. Until then, international peacekeepers must serve.

The United States is not and should not be the only provider, but it cannot sbun a principal role. The assurance that it will carry its full share of the load is the best belp the administration can give to its chief negotiator, the redoubtable Philip Habib, who is now back in Beirut.

—*THE WASHINGTON POST.*

Other Opinion

Reagan and Andropov

On the same day this week Mr. Reagan and Mr. Andropov talked about the fears of their countrymen. They discussed the danger of war caused by the threatening behavior of the other side, and positioned the search for peace in the area of arms control and a reduction in the size of their arsenals. The rest of the world can listen to this familiar litany, mucb as any church congregation listens to the prayers made on its behalf — normally uninspired, often uncomprehending.

The oew Soviet leadership at least is oot oow impaired by the illness which inhibited Mr. Brezhnev's ability to represent his country at the summit. It is time for Mr. Reagan to put the details on one side and confroot Mr. Andropov across a table.

—*The Times (London).*

On both sides the tone was somewhat more urbane, perhaps even conciliatory, than we have been accustomed to for some time, but it is far too soon to rush to the conclusion that the change of leadership in Moscow will lead to a genuine easing of relations between the two superpowers.

—*The Financial Times (London).*

Mr. Reagan addressed himself as much to the Pentagon, which was waiting for its oew MX missile, as tn public opinion, whose fears about a possible nuclear war he said he understood. lo the same way, Mr. Andropov sought to reassure both his military — referring tn an "nbligation" to equip it with "everything necessary" — and his consumers, to whom he promised new reforms.

Mr. Reagan struck a oew note in saluting the "serious attitude" of the Russians at the Geneva negotiations, and he accompanied his decision on the MX missiles with new offers on "measures of confidence" to rednce the risks of nuclear war. Mr. Andropov said be would not make any unilateral concessioo or meet any condition for the resumption of dialogue, but his tone was clearly less virulent than that of Leonid Brezhnev in his last speecb oo Oct. 27.

—*Le Monde (Paris).*

Women and Sports

The sport bosses in Pakistan, in spite of appeals from different quarters, decided to keep Pakistani women out of the Ninth Asian Games in New Delhi. It is difficult to understand the logic of this decision, especially when our women have been participating in international meets on earlier occasions and were also represented at the last Asian Games in Bangkok in 1978.

When women were excluded from the 19th National Games held in Peshawar last April, we had pointed out that all the arguments in sports — such as the importance of physical fitness, healthy competition, recreation and the development of sportsmanship as an attitude of mind — beld equally well for women.

Internatinnal sport meets play an important role in promoting goodwill and understanding among nations. Other Moslem women have played this role well, and sportswomen from Islamic countries such as Malaysia and Indonesia were selected to participate in the New Delhi Games.

Equally important is the sanction of human rights. The UN Charter reaffirms faith in the "dignity and worth of the buman person" and in the "equal rights of men and women." The Universal Declaration of Human Rights forbids distinction of any kind, ineluding sex, in the enjoyment of buman rights. These two documents the Pakistan government is juristically and morally committed to uphold.

—*Dawn (Karachi).*

NOV. 25: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: America's Potential

PARIS — Today's editorial in the Herald reads: "In the existing crisis, Americans do oot need to be reminded that the underlying conditions in the United States are perfectly sound. The country is young and growing at a tremendous rate: the coal and mineral mines are virtually inexhaustible; the soil is marvelously fertile; the American people are industrious, ingenious and courageous. The present output of industry is enormous, but the development of the country's resources is in its infancy. Every year the railway network brings a larger area into the range of manufacturing and commercial interests. Such facts are not nullified by the intrigues of professional bears."

1932: Hitler Is Turned Down

BERLIN — President von Hindenburg has rejected Adnlf Hitler's proposal to be made chancellor of a presidential cabinet. The president admitted frankly that the reasoo for his refusal was his fear that the National-Socialist leader would use extraordinary powers of the constitution, if he were given such a post, to create party dictatorship over Germany. In a letter to the Nazi chieftain, the president stated that be could oot give presidential power of attorney to the leader of a party that has again and again stressed its exclusiveness. Hitler refused in an interview with General von Schleicher to be represented in a neutral cabinet, insisting on heading the ministry himself.

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The Bishops' Letter: Noble Goals, Faulty Means

By Ernest Conine

LOS ANGELES — I doubt that the fellow who first warned that the road to perdition is paved with good intentions would have had much standing at the annual meeting of the National Conference of Catholic Bishops last week. As they move toward completion of their pastoral letter oo ouclear arms, however, the bishops might find it helpful to keep the admonition in mind.

The gathering nf American bishops was historic. For four days they debated a proposed pastoral statement that would not only condemn ouclear war but, if implemented, might also put the United States on the road to unilateral nuclear disarmament.

After further refinement, the document is expected to be accepted formally at a special meeting in Chicago next May.

The pastoral letter makes the stark observation that "Today, the destructive potential of the nuclear powers threatens the sovereignty of God over the world he has brought into being." It adds, "We could destroy his work."

Unfortunately, though, the draft statement fails to give a satisfactory answer to the profound moral dilemma of our time: How can democratic societies defend themselves and their values in the age of oucle-ar weapons without compromising those very values?

The right and duty of religious leaders, whether they be Roman Catholic bishops or Baptist fundamentalists, to inject themselves into the arms debate should be obvious.

To most non-theologians, however, it is just as obvious that moral purpose should be fashioned to produce moral results. And it is here that the bishops' draft pastoral letter is open to challenge.

Michael Novak, the lay Catholic theologian, may be unduly alarmist when he concludes that the letter "moves the world very close to war" by putting the strategy of nuclear deterrence into moral purgatory. But again he may not.

The draft declaration, as it stands, condemns as immoral any first use of nuclear weapons. It condemns the use of such weapons against civilian population centers, or targets near them, even in retaliation for a nuclear attack.

Most important, it comes very close to condemning the mere possession of nuclear weapons, whether or oot a potential adversary has them, as well as a strategy of deterrence that rests on a threat to use ouclear weapons if the other side uses them first.

The issue of ouclear deterrence — what is morally acceptable and what is not — is at the heart of the bishops' debate. It was not entirely settled at the conference last week.

Uotil now, U.S. policy has been to keep the Russians deterred from any thought of nuclear attack by threatening the utter destruction of the Soviet Union in return.

In Western Europe, the threat is carried a step further in consideration of the Russians' buge conventional forces; Moscow is on notice that nuclear forces will be employed, if necessary, to stop a Soviet invasion whether or oot the attack is auclear.

This first-use-if-necessary policy does raise disturbing moral questions. So does the threat to kill millions of innocent Russian civilians if Soviet leaders are ever so foolish as to order a nuclear attack on the United States.

But the existing policy of deterrence has one important thing going for it: For 37 years it has worked. There has been no war, nuclear or non-nuclear, between the great powers. That is surely a moral result that cannot be lightly dismissed.

It is worth pondering the point made by a ranking European foreign policy-maker in an off-the-record meeting a few days ago.

About 15 million Europeans died in World War I, he observed, and 51 million others — equal to the total number of Cathobcs in the United States — perished in World War II. That being the case, most Europeans are not interested in ban-the-bomb solutions that might in fact make a bloody new war more likely.

Some of the bishops, an apparent minority, are unabashed proponents of unilateral nuclear disarmament by the United States.

Bishop Thomas Gumbleton of Detroit offered an eye-opening insight into this mind set in a recent television appearance. The bishop, when asked if he did not fear what might happen if the Western nations dismantled their nuclear arsenals but the Russians refused to follow, replied that Christians had undergone martyrdom before and might have to again.

That may be an impeccably appropriate theological approach, but it is highly doubtful that many Catholics or non-Catholics are prepared to trade nuclear deterrence for martyrdom just yet.

One gathers that most American bishops are uncomfortable with the idea of unilateral disarmament and deny that is their aim. The draft letter, in fact, keeps open the possibility that a policy of nuclear deterrence can be morally acceptable — but only if one never intends or threatens to use it.

It is hard to escape the conclusion drawn by Mr. Novak, one of a number of critics within the church, that "If the bishops really mean that a deterreot cannot be used as a deterrent, they are actually demanding unilateral disarmament."

Christ taught that when faced with evil we should turn the other cheek. In practice, we hire pistol-packing policemen and build jails. The Catholic Church itself has long recognized that there are such things as "just wars."

Nuclear war, of course, is a horror of a different order.

Pope John Paul II, while apparently finding the maintenance of a nuclear balance morally acceptable as an interim step toward disarmament, is strongly dedicated to the elimination of nuclear weapons.

Catholic theologians have no monopoly on that moral goal. The question is how to get there: through patient, eyes-wide-open negotiation or through unilateral reductions that, if unmatched by Moscow, could put in grave peril the human valnes cherished by Catholics and noo-Catholics alike, and make war more likely rather than less.

Just as questions of war and the avoidance of war cannot be left to generals and think-tank intellectuals, neither can they be left to priests and preachers.

Los Angeles Times.

The Many Vulnerabilities of the New MX System

By Kosta Tsipis

CAMBRIDGE, Massachusetts — The Reagan administratioo's choice of the "dense pack" basing mode for the MX missile — putting 100 missile silos into 14 square miles (40 square kilometers) of land — would create a system more vulnerable to a Soviet attack than the rest of the U.S. land-based intercontinental ballistic missiles.

For its protection, dense pack is designed to exploit a pbenomenon called "fratricide" — the effects caused by a detonating nuclear weapon on destroying others oearby before they reach their targets. The effect of fratricide weakens with distance and time, so the closer together the targets (in this case, MX silos), the stronger the fratricidal effects of detooating Soviet weapons targeted on these silos will be against other incoming warheads. The Pentagon would place the 100 MX missile silos 1,800 feet (540 meters) apart in alternating rows of twos and threes, in a oorth-south column 14 miles (22.4 kilometers) long. It is argued that in such a narrow area the fratricide effect would defeat a large-scale Soviet attack.

The destructive effects of fratricide include nuclear radiation, heat, shock waves, strong winds, and the dirt and dust that linger in the air for tens of minotes after a ground-level nuclear explosion. The Russians could destroy dense pack by avoiding all these effects in several ways. They have 300 large missiles (SS-18s) that can each carry a ouclear bomb with the equivalent of 20 million to 25 million tons of dynamite. One such bomb could crush a dense-pack silo 2,600 feet away. Aimed at the center of a row of three silos, this large bomb would destroy the center silo plus the oeighboring six silos.

Even if the Soviet missiles work the way they are supposed to only half of the time, dense pack would be destroyed by a flight of 60 such missiles timed to arrive over the area within three seconds of one another.

These missiles would avoid all fratricidal effects if they were fitted with clocks that made all of them detonate within one-millionth of a second. Such clocks are commercially available, so it can be assumed the Russians have them.

Another way to defeat dense pack is to use nuclear bombs that penetrate the ground before they explode. This would prevent all fratricidal effects and would dig up or bury under tens of feet of dirt all the silos even if the arrival of the Soviet missiles was badly mistimed. The Russians do not have such weapons now, but they can build them in the 5 to 10 years that lt would take to build dense pack.

Sending two waves of missiles is still another way to destroy dense pack. The missiles in each wave could be aimed at rows of dense-pack silos 11,000 feet apart and timed to explode at 1.5-second intervals. The first wave would destroy 46 silos and bury another 26 under more than 10 feet of dirt. The second wave, whicb would come 20 minutes later to avoid the fratricidal effects of the first wave, would destroy 38 silos and bury the remaining 16 under more than 15 feet of dirt. In the interim, the missiles spared by the first wave could be prevented from leaving their silos by Soviet bombs exploding high above the field, one a minute.

The remarkable thing about dense pack is that it is vulnerable even to inaccurate and unreliable Soviet missiles. So close are the silos that, even if a Soviet missile strayed (within expected limits) from its intended target, it still would destroy the same number of silos.

Extensive detailed computer simulations of a Soviet attack show that this basing mode is vulnerable to a wide variety of strategies. The outcome of these attacks was uniformly devastating to dense pack, even when it was assumed that the Soviet weapons were inaccurate and that they arrived at the site several secoods before or after the optimal time.

The Russians need only a small oumber of warheads to mount such successful attacks on dense pack — somewbere between 30 and 100. These could destroy 1,000 U.S. nuclear bombs mounted on the 100 MX missiles — a distinct advantage for the Russians. This potential advantage, plus the fact that the MX missiles are advertised as accurate enough and powerful enough to destroy missiles in Soviet silos, may prompt a pre-emptive Soviet attack in time of crisis.

The only means to reduce the vulnerability of dense pack would be to install an anti-ballistic-missile system around it for protection. In fact, the proposed configuration — a long, thin column stretching north-south — is best suited for a protective ABM system. It seems, then, both prudent and realistic to consider the desirability and viability of dense pack only in conjunction with an ABM system, because without it the MX system assuredly would be vulnerable.

However, the installation of anti-ballistic missiles would require the United States to abrogate the 1972 ABM Treaty with the Soviet Union and would probably cost an additional $25 billion — as much as the dense-pack MX system itself.

In considering the administration's proposal for dense pack, Congress will have to take into account the economic and diplomatic costs of deploying an ABM system around it.

The writer is director of the Program in Science and Technology for International Security at the Massachusetts Institute of Technology.

Listening to Kissinger on the Mideast

By Anthony Lewis

WASHINGTON — Israel has the undoubted military power now to proceed with the de facto anoexation of the West Bank. That process has already gone very far, and it is accelerating. Is it conceivable, then, that there can still be negotiation about the future of the West Bank? That question was put to Henry Kissinger recently. He answered:

"It is oot only conceivable; it is imperadve. Annexation of the West Bank — overt or disguised — will sow the seeds of endless crises, one of which will inevitably erupt into conflagration. It is oot even in the interest of Israel however narrowly conceived.

"The incorporation of Gaza and the West Bank into Israel will sooner or later produce an Arab majority that will destroy the essence of the Jewish state. And if Israel seeks to escape this dilemma by expelling all the Arabs it will lose the moral support of even its best friends. Over an historical period Israel would oot be able to withstand the crisis that would result."

Mr. Kissinger talked about prospects for peace in the Middle East in an extended interview with The Ecooomist of London. The interview is must reading for anyone concerned about the area. For it conveys with rare clarity the urgency of the situation for all the immediate parties.

Following the Lebanese war, many people see a new opportunity for a peaceful settlement of the Arab-Israeli conflict. Mr. Kissinger says. "The circumstances for progress" are "the best I can remember." But he warns that the opportunity is limited, that things may get much worse if the parties let it slip away. And the danger is that both Israel and the Arabs will be immobilized by illusions.

The Israeli illusion, Mr. Kissinger suggests, is that "somehow or other they can maneuver events to a de facto annexation of the West Bank." Thus the Begin government intends to go on taking land in the occupied territory, building vast suburban developments there, and agreeing to negotiate only an "autonomy" for the Palestinian inhabitants so narrow that, as Mr. Kissinger says, it "deprives the word autonomy of its dictionary meaning."

The Arabs' illusion, as he sees it, is that American pressure will force Israeli withdrawal from occupied territory in return for only "verbal formulae" — that is, Arab recognition of Israel without effective protection for its security. Such a course would mean the demoralization of Israel, Mr. Kissinger warns, and the Arabs must not think it will be allowed to happen. They must negotiate the hard questions of security.

He praises President Ronald Reagan's peace proposal for the Middle East because it directly addresses those illusions and offers an alternative path of realism. Mr. Kissinger defines its key points as follows:

"(1) That the negotiating partners on the West Bank should be Jordan and Israel; (2) that the West Bank authority elected by Palestinians should be associated with Jordan; (3) that annexation of the West Bank and Gaza by Israel will not be accepted by the United States or by any other country; (4) that there be a moratorium on new Israeli settlements on the West Bank during a peace process; (5) that the negotiation must deal with Israel's security as well as recognition."

If the crucial need for Israel is security undertakings, the Palestinians in the West Bank and Gaza must have "a decisive role, a political role, in determining their political future, within the framework of association with Jordan."

As for the PLO, Mr. Kissinger says its role will depend on "a true turn toward the political option."

It is here that the urgency of movement on the Reagan plan comes in. "Reagan's initiative must yield some tangible results," Mr. Kissinger says, "while the impact of the PLO's lost military option is still fresb in everybody's mind."

King Hussein is the key actor now. "If Hussein steps forward and we stick to our course," Mr. Kissinger says, "many Israeli fears will be reduced. ... In a serious, sustained negotiation with Hussein I dn not believe that any Israeli government could maintain opposition in principle to the return of the overwhelming majority of the Arab populations to some form of genuine Arab control."

A month from now the Reagan plan will come to a critical test. King Hussein is to meet the president in Washington on Dec. 21. He has spoken favorably of the plan but has not yet done the essential: said be is ready to negotiate with Israel. He needs some gesture of hope and assurance — which in Mr. Kissinger's analysis would be the moratorium on West Bank settlements.

The New York Times.

Offering Thanks in Hard Times

By James Reston

WASHINGTON — A modern Thanksgiving Day proclamation: For all that we are about to receive — new "peacekeeping" nuclear missiles in Wyoming, the highest unemployment rates since the Great Depression, and the biggest federal budget deficits since the last World War — let us give thanks.

For all that we have received — life, liberty, and the pursuit of profit — let us give thanks by cutting taxes.

For all that we want to receive — higher wages, lower prices — let us go on strike.

For all that we are not likely to receive — a little peace and quiet, the control of ouclear weapons, the wise use of the bounty of the earth, and a hopeful future for our children — let us pray and blame somebody else.

The first Thanksgiving Day proclamation in the United States was somewhat different. It was delivered to the Pilgrims by Governor William Bradford of Massachusetts on Nov. 23, 1623, and his message was that the Pilgrims were lucky to be alive, and should give thanks for the things they had rather than complaining about the things they did not have.

It sounds strange in this secular age, but may be worth repeating:

"Inasmuch as the Great Father has given us this year an abundant harvest ... and has made the forest to abound with game and the sea with fish and clams; and inasmuch as He has protected us from the ravages of savages, has spared us from pestilence and disease, has granted us freedom to worship God according to the dictates of our own consciences:

"Now I, your magistrate, do proclaim that all ye Pilgrims with your wives and little ones, do gather at ye meeting house on ye hill, between the hours of nine and twelve in the day time, on Thursday, November ye 29th ... there to listen to ye Pastor and render Thanksgiving to ye Almighty God for all His blessings."

Of course, our gods are different now. The "abundant harvest" comes from the Department of Agriculture, and the forest abounds with game and the sea with fish and clams through the wisdom and compassion of Interior Secretary James Watt, and we are protected from the "ravages of savages" by the Pentagon.

But somehow, we are not very thankful this Thanksgiving Day, though despite our troubles we have some things to be thankful for. There are more than 11 million Americans unemployed, but almost 100 million at work — more than ever before. There were only 20 years between the two barbaric world wars of this century, yet we have avoided a third world war for 37 years.

It is the tragedy of our age that half the human family is going to bed hungry every night, while the nations of the world are spending more than $800 billion a year on military arms. But even so, it is also true that the condition of life is better now for most people than ever before, and there is more freedom in the world and more communicatioo of ideas than in any previous generation — not much better, but some.

There is another thing worth considering this Thanksgiving season. Governor Bradford's theology may not have endured the battering of a materialistic age, but the ideology of the modern economists and politicians is no howling success either.

In almost every modern nation today, with some ootable exceptions, the political leaders are beginning to question their own past assumptions and prejudices, for the simple reason that their political ideologies are not working to benefit their peoples.

This is as true of Soviet and Chinese communism — even more true — as it is for François Mitterrand's socialism in France, or Margaret Thatcher's New Conservatism in Britain, now facing 4 million unemployed, or Ronald Reagan's "supply-side" theories in the United States, or Japan's export drive abroad, or Menachem Begin's military defense of his biblical vision of Israel.

But the hopeful sign is that governments are beginning, ever so slowly, to adjust to the new realities, or are being forced to compromise by the people who want jobs and peace.

Confrontations in military arms and commercial trade are arousing the anxiety and opposition of people all over the industrial world, where there are now more than 30 million people out of work.

So why Thanksgiving? Because a lot of beautiful theories are being murdered by a lot of brutal facts. Also because old men and old theories of the extreme right and left are wearing out, and there are new governments or at least new alignments in the Soviet Union, China, West Germany, Spain and Mexico, and soon in Japan.

Will they be better or worse? Nobody knows, but hope is a form of thanks, and as Governor Bradford said, we can always pray.

The New York Times.

LETTERS TO THE EDITOR

Legitimate Anger

Regarding "U.S. Asks El Salvador Envoy for Restraint" (IHT, Nov. 11):

The U.S. presidency loses all credibility when it seeks to distance itself from the legitimate anger of its representative in El Salvador who properly and publicly complains of the impunity with which lawless bandits exterminate U.S. citizens in that country. I would have thought that the presidency would be the first institution to publicly defend Ambassador Deane R. Hinton in his criticism of El Salvador's so-called legal system.

LOUIS A. COUTTS.
Melbourne.

Diabolical Deficits

Regarding "A Different Kind of Economic Summit" (IHT, Nov. 17):

Lester Thurow, the highly esteemed economist, enjoys an admirable reputation for offering rather fresh looks at dusty problems. Once again he scores highly, with his suggestion for breach of protocol to mount new summits grouping heads of state and opposition politicians who favor similar proposals.

Alas, he scarcely bothered to examine old answers to the types of policies that might be discussed between Mr. Mitterrand and representatives of the U.S. Democratic Party. The need for internationally coordinated monetary policies is well taken. However, these policies should not invite the inevitable and eventual mortgaging off of the future generation's livelihood by building in a debilitating rate of inflation.

The more important source of concern for international cooperation seems to involve how to reduce the diabolical deficits in government budgets which force interest rates up regardless of the state of monetary policy. Loosening monetary policy without forcing governments to back out of credit markets will only create more intractable problems.

CHRISTOPHER LINGLE.
Luxembourg.

A 'No' Vote in Turkey

Regarding "Turkey's Democracy" (IHT, Nov. 10):

I was one of the few who voted against the constitution and no one threatened me or put me in jail. But I respect the results.

I would like to remind you that many people in the world believe that the U.S. presidential elections are not democratic. Nevertheless, we respect your way of life and expect the same from you.

SEVINC USTUN.
Ankara.

هكذا من الأجل

United Press International

VOLCANIC DAMAGE — Two cockpit windows in a Nauru Airlines jet were cracked Tuesday by debris from Japan's Sakura-Jima volcano. The airliner, carrying 47 persons, returned safely to Kagoshima Airport, about 400 miles (640 kilometers) from Tokyo. Officials said eight other planes have been hit. *Routes bypassing the debris have been designed.*

South Korea Coproduces U.S. Jets To Challenge the North's Air Power

By Sam Jameson

Los Angeles Times Service

SEOUL — For years, North Korea's 2-1 edge in air power has threatened South Korea, but now South Korea has taken a big step up on the North by beginning coproduction with Northrop Corp. of F-5F and F-5E jet fighters.

Facing a North Korean Air Force of an estimated 720 fixed-wing combat aircraft, the South, with about 380 warplanes, cannot sooo hope to catch up numerically. But already the South has surpassed the Communist North in the number of modern fighters and, with coproduction of the Northrop planes, is looking forward to additional qualitative gains.

The first successful test flight of an F-5F two-seat, trainer-reconnaissance-fighter jet coproduced here was conducted to September, and President Chun Doo Hwan welcomed the event as an indicatioo that "we will be able to safeguard our own airspace with aircraft of our own making before long."

A month later, Defense Minister Yoo Sung Min said that the beginning of coproduction of the F-5F, and later of the F-5E single-seat fighter, will help South Korea's defense industry "surpass that of the North in the near future."

South Korean leaders, however, stopped short of spelling out exactly how much of an advance their air force is making.

Within the last several years, South Korea has modernized its air force while carrying out a modest expansion through the purchase of finished Northrop F-5Es and F-5Fs. Asagumo, an authoritative Japanese newspaper specializing in military news, reports that South Korea possesses 221 F-5E and F-5F aircraft and about 60 F-4D and F-4E Phantoms.

The modern F-5s and the F-4s both are rated as equal to or better than the MiG-21, the most modern plane in the North Korean Air Force.

With at most 180 MiG-21s in the North Korean Air Force, the South, with its total of about 280 F-5Es, F-5Fs, F-4Ds and F-4Es, already has surpassed the North Korean air force's modern component.

Already, two F-5F fighters assembled here by Korean Air Lines, with Northrop's technological help, have been delivered to the South Korean Air Force. A third is undergoing testing before delivery, Cho Choong Kun, KAL vice president, said.

Engines are being co-assembled in South Korea by Samsung Precision Industries with help from General Electric Co.

By 1986, a total of 68 F-5Fs and F-5Es will have been coproduced here, according to a high-ranking U.S. military official who asked not to be identified. In the same year, delivery of 36 modern F-16s is scheduled to begin, the U.S. military official said.

All signs point toward the South gaining a 2-1 advantage over the North in modern fighter planes by late this decade. The North's hopes of substantially bolstering the modern component of its air force do not seem strong.

Uotil China provided at least 20 — and possibly 40 — MiG-21s last spring, North Korea had not obtained any modern MiG-21s from either China or its other major military ally, the Soviet Union, since 1974.

A South Korean intelligence official in charge of analyzing North Korea, and who asked not to be identified, cited the recent Chinese provision of MiG-21s, along with a visit of a high-ranking North Korean military official to a Chinese aircraft factory, as raising the possibility that the North might be on the verge of beginning coproduction of the MiG-21 with China. No confirmation of such a possibility was available, he added.

In the meantime, at least, the advantage continues to swing toward the South.

Mr. Cho, the KAL vice president, said that no plans have yet been formed for post-1986 F-5 coproduction hut he added that he assumes the program will be continued.

KAL, the only commercial airline in the world engaged in the manufacture of military aircraft, got into the business because the company employed many of South Korea's trained aeronautic mechanics, Mr. Cho said.

Its first step into aircraft production was in 1976, wheo it began coproducing Hughes 500-MD helicopters modified to mount four anti-tank missiles, Mr. Cho said.

With its own 1,000 tanks squared off against an estimated 2,000 North Korean tanks, South Korea felt a need to bolster its anti-tank warfare capability, Mr. Cho said.

KAL paid Hughes $5 million for research and development and Hughes came up with a modified helicopter that costs $900,000 when equipped with anti-tank missiles, Mr. Cho said. Coproduction of about 200 helicopters is scheduled to end oext year, be added.

Coproductioo of the helicopters made KAL the logical candidate for F-5F and F-5E co-productioo.

At the start, South Korea is manufacturing only about 20 percent of the F-5F's contents but is aiming to increase local content to 75 perceot by 1986, Mr. Cho said.

The South Korean government is willing to pay the premium in order to develop higher technological skills here — both for military and economic reasons, Mr. Cho said. Militarily, South Korea could not afford to send planes hit by groundfire during a war back to California for repairs. And economically, the nation must move out of labor-intensive exports into high-value, technology-intensive products as "our next line of exports," he said.

MEMORIAL NOTICE

HAROLD A. RITTER
died on November 19. A memorial mass will be held on Friday November 26 at Saint Joseph's Church, 50 Avenue Hoche, Paris, at 11 a.m.

New Textbook Rules Announced by Japan

The Associated Press

TOKYO — Education Minister Heiji Ogawa announced Wednesday new criteria for screening of Japanese textbooks.

The action is intended to ease friction with Asian nations that had protested "whitewashing" of accounts of Japanese military actions before and during World War II.

Mr. Ogawa said the committees that review textbooks for the Education Ministry should give "necessary consideratioo to the promotion of ioternational understanding and cooperation in dealing with recent historical events between Japan and its neighboring Asian nations."

However, Mr. Ogawa's statement avoided direct comment on passages that angered Japan's neighbors, principally the ministry's "guidance" that the word "invasion" be changed to the more ambiguous "advance" in describing Japan's invasioo of China.

That alteration, aloog with several others involving China and Korea, created a diplomatic dispute that shook the government of Prime Minister Zenko Suzuki in the late summer.

China and South Korea asserted that revisioos in high school textbooks tooed down accounts of Japan's wartime crimes and were a precursor to a revival of Japanese militarism.

Mr. Ogawa also said that the process of screening new textbooks should be moved up hy one year, to 1983, and that "appropriate" changes should be made io the texts.

Kiichi Miyazawa, the chief cabinet secretary, said the government informed the embassies of China and South Korea on Wednesday about the new criteria. He said he hoped the two countries would eventually understand Japan's position.

The oew measure was approved following a recommendation made by the Education Ministry's Textbook Authorization and Research Council on Nov. 16.

Paper Mill Completed, Vietnamese Announce

The Associated Press

BANGKOK — Vietnam announced Wednesday the completion of ooe of the biggest paper mills in southeast Asia, built with Swedish assistance in the northern province of Vinh Phu, 62 miles (99 kilometers) northwest of Hanoi.

The Vietnamese press agency said the mill could produce 55,000 tons of writing and printing paper a year.

Rights Activists Says Philippines Repression Grows

Reuters

HONG KONG — Philippines human rights campaigner José Diokno said here Wedoesday that repression in his country had worsened in the last year and he predicted that 1983 would be even bleaker.

Calling on international condemnation of the government of President Ferdinand E. Marcos, he declared: "Violations of human rights range from unjust arrests to torture to outright massacres."

Senator Diokno, who heads the Free Legal Assistance Group, cited an alleged massacre hy the military at the town of Roxas io southern Zamboanga province last June.

He said that 13 suspected members of the communist New People's Army were taken from a house with their hands tied behind their backs and later found shot to death, still bound.

The senator is here for talks with the Hong Kong hranch of Amnesty International.

Mr. Diokno said, "I think it is going to get worse in 1983. I do not expect economic recovery to start before 1984 and the people will hecome more restless and the government will thus take more and more repressive measures. What will happeo io 1984 is anyone's guess."

SCIENCE

Amazon Project To Save Wildlife

By Warren Hoge
New York Times Service

MANAUS, Brazil — At night, bats swooped through the jungle lean-to as the group of visitors to the Amazon lashed their hammocks in place. By morning, the group was pieking its dark and damp way along the forest floor, 130 feet beneath the canopy of treetops and the spotty dawn's light.

"Hear that squeakiog hinge? That's a toucan," said Dr. Richard Bierregaard Jr. Moments later, he was training his binoculars on a formation of five parrots that had swept into view. "That's an odd sighting," he said. "Parrots mate for life. The odd one must be an early widower or a juvenile."

Judy M. Rankin was gingerly scooping up petals, tendrils and leaves from the ground. "This one was cut right through by a beetle with very sharp mandibles," she said. Thunder rumbled overhead. It was raining heavily, but it would be 10 minutes before drops penetrated the leafy understory to where Miss Rankin was now examining the bark of a towering trunk.

She, Dr. Bierregaard and other scientists here are engaged in a 20-year project, keeping sucb a watch on everything that happens inside specific jungle parcels that have been selected for preservation in parts of the Amazon that are being cleared for farming and cattle raising. They study them while they are still part of the undisturbed rain forest, then restudy them, ooce they are isolated, to monitor the deterioration of plant and animal life.

OTHER scientists bave pursued the same kind of research, examining mountaintops, coral heads, forest fragments and islands that were once part of mainlands. But until now oo ooe has ever done so with a secure knowledge of what existed in the target zone before its isolation. John Terborgh, a tropical ecologist from Princeton University, calls the ambitious approacb bere "so grandiose it verges on the undoable." He added that it was "exciting" that someone "would even try it."

The joint American-Brazilian project, now in its fourth year, has a limited and environmentally sober objective. There is no hope of rescuing the Brazilian jungle from exploitation, and oo intentioo of trying. Instead, the goal is to determine, io the words of the project's architect and co-director, Thomas E. Lovejoy, "the minimum critical size of ecosystems."

The vital signs of everything down to ant colonies are being recorded by the specialists working under the auspices of the World Wildlife Fund in Washington and Brazil's National Institute for Researcb on Amazonia, based in Manaus.

The tropical forests that still exist across the middle latitudes of the globe bold at least half of the 10 million to 12 million animal and plant species oo the planet. "The tropical rain forest is the greatest expression of life on earth," said Mr. Lovejoy, wbo is vice president for science of the Washington organization.

These forests are being leveled for colonizing, pasturage, timber and other commercial purposes at a rate of 50 million acres a year.

The Amazon harbors plant and animal associations of humbling complexity. Insects, bats and moths pollinate flowers on trees, which produce nuts that are cracked open by rodents who deposit the residue in select soils for new cycles of germination. One type of creeping bean plant must spend time inside the belly of an Amazon fish before being excreted into a particular kind of mud, where the life pattern starts again.

Sand dunes along the roadside leading north out of Manaus into the jungle are stark evidence of what can happen when these kiods of interdependencies are disregarded.

The scientists track these life patterns with an odd assortment of gear. There are cans of fermented banana to attract fruit flies, extracts of a flower scent that is sexually alluring to butterflies, colored stakes and ribbons to mark special areas of scrutiny, piles of newspapers for pressing plant specimens, bottles of alcohol for preserving finds and lots of small plastic bags.

In the project's 25-acre reserve, two hours north of Manaus by jeep, Miss Rankin bas listed 350 species of trees with a trunk width of four inches or more. She estimated that a similar piece of forest in New England would yield oo more than 20. "And if you increased the area you wouldn't keep finding new ones the way you do bere," she added.

Uoder Dr. Bierregaard, the project's field director, team members have banded 7,000 birds, tracking their evolutioo and movements about the jungle by repeated captures. They use barely visible black nyloo oets strung across the middle of the reserves at a six-foot level.

The oets have ample give and do not barm the birds caught in them. Once they are ebecked for species, sex and feather molting and weighed on a hand scale, the birds are released, always in the same spot. One of the project's purposes is to measure the range of the 150 species thus far turned up, and one of its conclusions is that birds with wider ranges, like those that feed on swarming army ants, do not last long in the smaller areas.

The data are recorded on cards and then entered into a computer located in Dr. Bierregaard's bedroom in Manaus, where an accumulating elutter of field equipment, literature and bousehold gear has taken on a riotous tropical growth momentum of its own.

The 25-acre reserve has already lost some of its monkey population only two years after being isolated by the cattlemen who turned the surrounding area into pasture land by burning it. Two saki monkeys were not able to find enough fruit trees and vanished. A band of golden-banded tamarin monkeys also disappeared, though bowler monkeys, which eat foliage, seem to be adapting.

In a 2.5-acre reserve created at the same time, the bird count soared, as avian populations from the torched areas flocked into the greeo patch in a phenomenoo called "influx," documented for the first time by tbe scientists on the project.

The project has already marked off 23 reserves, ranging as large as 25,000 acres. Only the 2.5-acre and 25-acre reserves have been isolated so far, but the delay in clearing around the others is simply giving the scientists more time to study the makeup and behavior of the undisturbed ecological communities.

The plant life bas suffered from exposure to hot winds from the edges of the reserve and invasions of weedy plants from the second growths in the surrounding clearings. "Eventually the seeds of the canopy species won't dominate and the weeds will take over," said Miss Rankin, the project's botanical ecology study coordinator.

Dr. Bierregaard said ranehers had been cooperative in letting the scientists come oo their property. When the cattlemen are ready to burn areas marked for pasturage, they let Dr. Bierregaard know in advance so he can set up backfires to protect areas marked for reserves.

Uoder an erratically enforced Brazilian law, people clearing land in the Amazon must leave 50 percent of it untouched, so the researchers are generally operating in parcels that could not be converted into grazing land anyway. In return, the cattlemen get the benefits of mapping surveys, environmental guidance and favorable reputations with bureaucrats in Brasilia wbo pass out development subsidies for the region.

Dr. Bierregaard noted with satisfaction that one of the ranchers had returned a stolen bird oet that had surfaced in a river town 160 miles away.

Intrusions into the reserves by local colonizers ended abruptly wben word spread that the bird nets could trap bumans in a spidery death clutch. Dr. Bierregaard said be decided there was an advantage in oot disavowing the rumor.

The New York Times

Child's 1st Report Card: Key to Future

By Carol Krucoff
Washington Post Service

THE YEAR'S first report card is like a preseason game in sports. "It gives you a line on how the child's responding," says Sheppard Kellam, "but it has very little importance for later outcome."

The year-end report card, however, may do more than indicate success or failure at basic tasks. For young children, contends the psychiatrist and chairman of Johns Hopkins University's department of mental hygiene, "the final report card can be a major predictor of success or failure in later life.

"Starting school is one of life's biggest challenges. It may be tougher than choosing a career and landing the first job because in first grade there are no choices available. Everybody goes. The first-grade classroom is society, where the child has to survive."

A child's ability to make this key transition from home to society plays a crucial role in his or her future, according to a study of 12,000 Chicago children Dr. Kellam and his wife, Margaret Ensminger, a sociologist, conducted at the University of Chicago's Social Psychiatry Study Center. They have recently moved their data — and themselves — to Johns Hopkins, where they joined the study's tbird researcber, Heodricks Brown.

The researcbers followed one group of about 1,200 children over a 10-year period to identify characteristics in first grade that were linked to later-life problems. Among their findings:

- Children having learning trouble show marked risk of later depression, paranoia and overall distress.
- Boys and girls generally respond to school learning problems differently. Boys tend to "act out" their trouble, while girls tend to react inwardly with more subtle "psychiatric symptoms."
- Boys with learning problems usually fit one of three profiles: "aggressive" — acting out trouble by fighting or disrupting, "shy" — not speaking up in class, "shivering in fear" that the teacher will call on him, and "shy-aggressive" — sitting alone and also fighting and breaking rules. Shy boys are at high risk for anxiety 10 years later. Both aggressives and shy-aggressives are at high risk for becoming delinquent, with shy-aggressives at extremely high risk of later substance abuse.
- A first-grade girl's emotional health is linked to her mother's mental health. Daughters of women who reported depression and anxiety reported more depression and anxiety than their peers.
- Children who succeed in first grade have a lower risk of depression and anxiety io adolescence.

While school adjustment's relationship to later-life success is most striking in the first grade, Dr. Kellam says, "what's true of first grade is true of second, and so on. The point is that you can start early on being concerned about bow well children are doing. . . .

"When you talk about expanding prisons, delinquency, crime, psychiatric symptoms and the rest, you're talking about a failure to socialize children. We're losing over half the kids who are coming into elementary school in urban areas at this point."

Current failures to successfully socialize children, says the 51-year-old father of three, can be countered by specific steps taken by the school system, teachers and parents. "For starters," he says, "you've got to cut class size" from current levels of 36 to 42 to "no more than 25." Second, he says, "You need a curriculum that is set up to make sure it reaches every single child in that classroom at the point the child is at in learning and takes them forward step by step with one small increment after another.

"We're using the same curriculum we used when we lived in a society where an eighth-grade educaoon was sufficient. Today we're in a highly technological society, competing with the Japanese. We need a curriculum that uses teaching machines, because kids love them and they're a great learning tool."

Too often, Dr. Kellam says, parents and children have different views of the child's school success. According to his study, "when you compare mothers' ratings of how their kids are doing and the teachers' ratings about how the kids are doing, the correlation is like zero."

"Teachers and parents must form a partnership. Mucb of the reinforcing of how the child behaves in school bas to be done at home, plus there's homework to be done and a set of structured goals and values to be taught to the child and they should be in agreement."

In primary grades, this partnership should be established, he says, "from day one. You see the teacher for a few minutes just to make yourself available and form a relationship such that the teacher can call on you at the drop of a hat."

The 'Lost' Bronze Age in Thailand

By Michael Brenson
New York Times Service

THE six-inch tall, chalice-shape clay pot has a bowl that balloons out of its base like a ripe bulb. The bowl is decorated with a red-and-white swirling pattern that winds around the bowl like a succession of waves.

This ancient pot is one of the objects chosen from a mass of more than a million shards, 350 metal objects and 26 skeletons that represent the discovery of a Bronze Age civilization in northeast Thailand, which may antedate the Bronze Age of the Near East, until now considered the "cradle of civilization."

"Ban Chiang — Discovery of a Lost Bronze Age," an exhibition that has just opened at the University Museum of the University of Pennsylvania in Philadelphia, provides the most comprehensive documentation to date of four millennia of ancient life in a previously unexplored part of Southeast Asia.

The Bronze Age is important because archaeologists believe it was the stage at which a oomadic hunting-and-gathering society evolved into the settled community life that is the basis of what is called civilization. A settled community life had to exist, archaeologists reason, in order for primitive metallurgy — of which bronze making is the most primitive — to be practiced.

Whether or not the Bronze Age in northeast Thailand turns out to antedate the Bronze Age in the Near East, the findings at Ban Chiang are extraordinary. They reveal a technologically precocious agricultural society in a region long considered a cultural backwater. They also reveal a community life with some puzzling, still-unexplained customs. Finally, the presence of sophisticated technology in an ancient rural society adds new urgency to questions archaeologists and anthropologists have long been asking about urban society.

The exhibition, which runs through Jan. 30, contains more than 200 objects. There are bangles, bracelets, axes, rollers and clay pellets thought to have been shot from bows. The pottery spans almost 4,000 years, from the early period at Ban Chiang, thought to have begun as early as 3600 B.C., to the end of the late period, around A.D. 200.

Decorations range from the swirling patterns that have come to be identified with Ban Chiang pots to barely visible, almost straight lines incised in the pottery with cords.

The show also contains fiberglass reproductions of whole burial units, with tbe skeletons and the objects on or around them.

"Ban Chiang is a knothole through a broad fence that gives a view behind the fence," said Robert H. Dyson Jr., director of the museum. "At least half the value of the stuff is knowing the context. In order to know wbat it means, you have to know where it comes from."

One of the mysteries of the Ban Chiang material is the discovery of a number of infant skeletons in the burial ground inside pots. Some from the culture's middle period (1000 to 300 B.C.), like the skeletons of adults, were adorned with jewelry. In the late period (300 B.C. to A.D. 200), only the graves of children contained beads, rollers and wire necklaces. The reasons for the deaths and burial customs are unclear. "Perhaps the deaths were the result of infanticide, a kind of population control," Joyce C. White, guest curator of the show, said. "We really don't know."

THE discoveries at Ban Chiang raise other questions as well. Some of the skeletons from the late period were found under a blanket of carefully placed pots. In earlier periods, pots were shattered and the shards seemingly strewn over the bodies like seeds. "There are records of the aborigines doing the same thing in Malaysia," Miss White said. "The practice hints at a prosperous society willing to 'throw away' a considerable investment of labor and resources."

The Ban Chiang excavation has also raised questions with implications that reach beyond the border of Thailand. "This is a village society," Mr. Dyson said, "not an urban center. Everyone has assumed that the rise of bierarchical administrative structures has been ooe of the major factors in the development of complex technology. To find advanced technology outside an urban center, in a relatively homogenous community, calls into question the model."

Scientific excavations at Ban Chiang began in 1974 and were directed by the late Chester A. Gorman, of the University of Pennsylvania, and Pisit Charoenwongsa of Thailand's department of fine arts.

After leaving the University Museum on Jan. 30, the exhibition will travel to seven other American museums, beginning with the Science Place in Dallas next March. The last stop will be the National Museum in Thailand late in 1985.

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CONSTRUCTION IN THE ARAB WORLD

A SPECIAL REPORT

Fall in Oil Income, Slow Growth Hone Competitive Edge

By Robert Bailey

THE ARAB construction market is becoming more competitive and sophisticated against a background of lower oil revenues and slower rates of growth.

Plans and priorities vary considerably throughout the region. Algeria is concentrating its efforts on building homes. Libya is planning a prestige 54-story "Arab Unity" skyscraper. Expenditure in many instances remains huge, despite political tensions and falling oil sales. The most remarkable characteristic of the Arab construction market has been how the spending of Iraq and Saudi Arabia has continued at a relatively high level in the last two years in the face of declining hydrocarbons income and in Iraq's case the mounting costs of its war effort.

However, there is little doubting the anxieties felt by foreign contractors about payment schedules and that overall development throughout the Arab world is becoming less frenetic than in the recent past. But the sheer scale of business is too attractive a bait for foreign companies to avoid.

The lure of the market is illustrated by Saudi Arabia, whose construction spending in 1981 accounted for about 20 percent of gross national product. Contracts awarded totaled 170 billion riyals.

Spectacular awards, such as Iraq's Mosul Dam project and the Bahrain-Saudi Arabia causeway, are occurring less often but with sufficient regularity to suggest the area will be the source of much of the developing world's most lucrative business for many years to come.

But there is no guarantee of work for foreign companies. Local companies and regional joint ventures have gained a significant slice of the market, particularly for work involving less involved technology than petrochemical developments and defense projects. Far Eastern contractors, notably those from South Korea and Japan, continue to mop up many of the biggest awards. It is a trend that shows no sign of slackening, in spite of spirited West German, French and Italian competition.

ALGERIA

Algeria celebrated its 20th anniversary as an independent nation in July this year, but among national achievements building and public works earn low marks. Low productivity in state construction companies and bureaucratic controls have depressed the sector, but it is taking on increasing importance as ministers try to overcome a chronic housing shortage.

While the earthquake at El Cheliff diverted official attention, administrative slowdowns have also slowed progress. The result is a shanty town existence for many people. Only 28,000 homes were completed in 1981, but it is hoped the figure will reach 70,000 in 1982. The target is 100,000 homes a year by 1984.

Whether this political aim is achieved will depend on the success of a prefabricated building program. Algeria cannot meet the target on its own and contracts have been negotiated with Brazilian, French and other West European contractors. The state-controlled Office National de la Construction en Préfabriqué was formed in March this year to coordinate the program. The office is expected to have awarded contracts worth $1.5 billion by the end of 1982 for the supply of 5 million square meters (10.5 million square yards) of housing.

The budgeted spending on housing may rise another 40 percent in 1983. It is a prospect causing interest among international companies looking to get into one of the biggest potential markets in the Middle East. Outside assistance will also be needed to step up production of building materials and construction equipment.

EGYPT

A first-time visitor to Cairo could well come away with the impression that it is a vast hive of building activity. Cranes and unfinished buildings seem to be everywhere on the road from the airport area of Heliopolis to the city center. But appearance belies reality in Cairo, as elsewhere in Egypt.

The ordinary Egyptian home is usually extremely overcrowded and often lacking basic amenities. As the population, now at 45 million, climbs, problems are growing and criticism is becoming sharper over the vast resources spent on building luxury apartments and hotels while so little has been invested in housing that the majority of people can afford to rent or buy. The foreign expertise that might stimulate construction of economic housing has so far not been acquired.

But greater emphasis on social infrastructure can be expected in the future. Luxury hotels, like the Semiramis Intercontinental and Marriott Omar Khayyam, are expected to complete Cairo's luxury hotel development. How far foreign enterprise will become involved in subsequent developments in the lower end of the tourist market and urban programs depends on government incentives. Before foreign investment was encouraged by the open-door policy that was introduced in 1974, the local construction industry, like other sectors, had stagnated behind the protection of subsidies and barriers against outside competition. The situation has been slow to change.

Local business is dominated by three companies, Arab Contractors, the leader, Hadsan Alam and Misr Concrete Development Company. Links with foreign companies can yield spectacular results. Arab Contractors, who undertook civil work for the Aswan Dam, also completed the Ahmad Hamdi road tunnel under the Suez Canal, working in tandem with Britain's Tarmac.

Encouragement of foreign links is a continuing aspect of policy under President Hosni Mubarak. While the potential of the Egyptian market is

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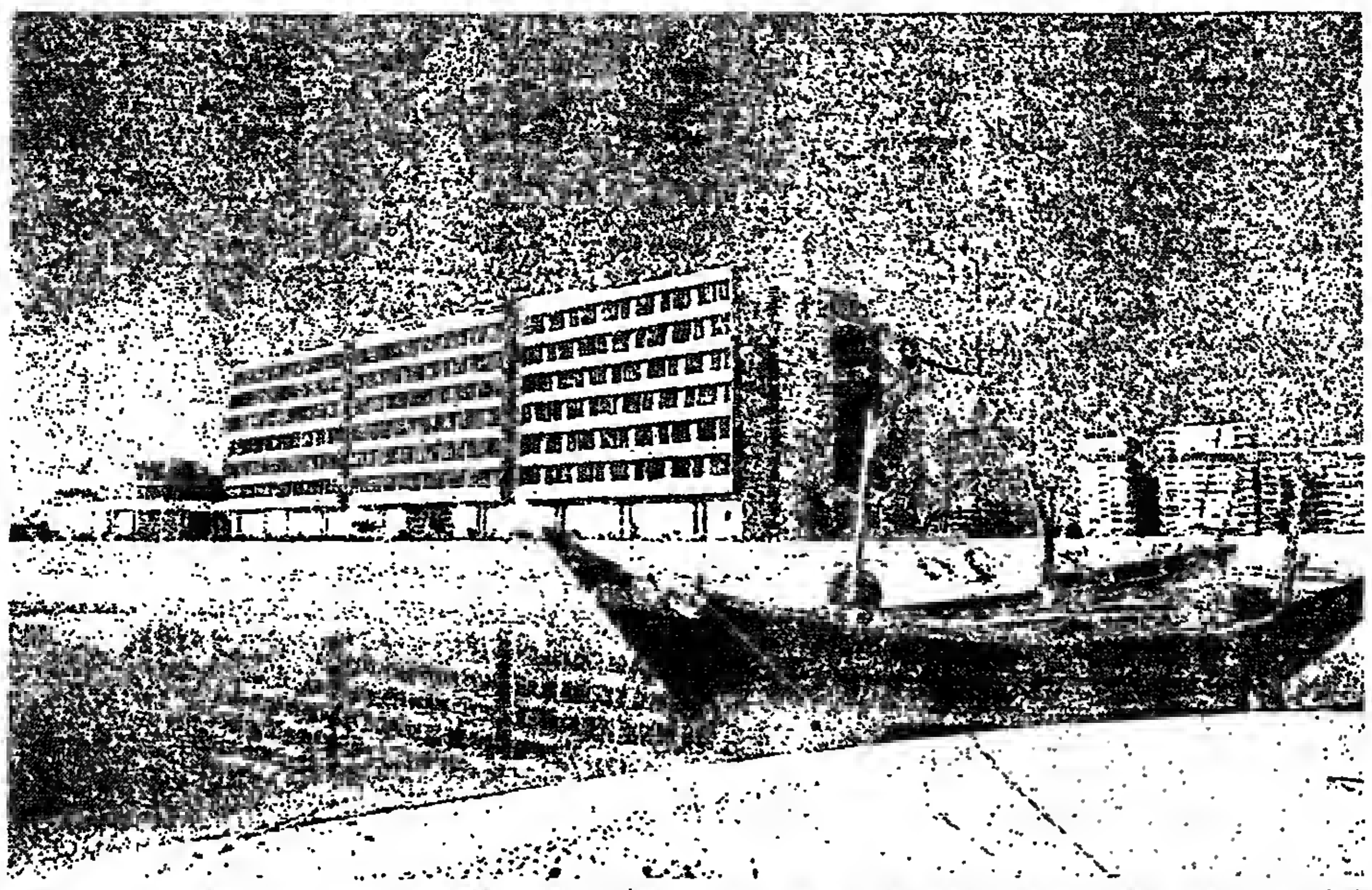

ARCHITECTURE IN THE GULF: A building near the Abu Dhabi waterfront has long external elevations clad with precast concrete components, incorporating distinctive vertical sun-shading fins. Traditional Gulf dhow is moored in front.

Development Threatens Historic Sites

Burgeoning Wealth Often Brings Loss of Interest in Vestiges of Poorer Era

By Geoffrey Weston

ARCHITECTURAL conservation in the Middle East suggests famous archeological sites like the Abu Simbel temples in Egypt, the glories of Isfahan or restoration of old Baghdad. Ironically, those countries best able to pay the high cost of restoring their architectural heritage and finding imaginative new uses for it have, with certain exceptions, less to preserve. Moreover, until very recently they have been largely indifferent to a visual past that has almost vanished in the last quarter of a century.

Oil wealth was seen as a means of eradicating all trace of hard, poverty-stricken times. Iran and Iraq apart, the rich countries of the Middle East had little tradition of visual art, not helped by Bedouin scorn for material things. Even a Saudi professor of ancient history said not long ago that he was happy to see old buildings destroyed because he felt that if they were of any importance they would have been fully documented by now. In Riyadh, the city fathers were reported to have considered demolishing the historic mud-walled Musmak Fort, the scene of Ibn Saud's first battle to unite Saudi Arabia, and replacing it with a concrete replica, because it would be more durable. Fortunately, it seems, they found the idea impractical.

The socialist revolution in Libya has largely swept away the picturesque Turkish suq in Tripoli, replacing it with more popular Western-style hypermarkets. The gracious, Italianate streets around Green Square, so redolent of the colonial period, seem to have survived by accident rather than by design, while the magnificent Roman remains at Leptis Magna and Sabratha are visited by few appreciative travelers, since foreign tourists are unwelcome.

Kuwait's Al-Jahra Gate stands sadly alone as a reminder of the mud-brick wall that once surrounded the city, but the government, as in other parts of the Gulf, has woken belatedly to the importance of preserving its visual heritage. Appeals are being made throughout the region for old-established families to preserve and preferably donate old artifacts and relics of all kinds to the rash of lavish museums springing up all over the Arabian peninsula. It is small compensation for the scale of demolition.

Oman set up a Ministry of National Heritage and Culture in 1976, charged, among other things, with care of the country's rich heritage of old forts. Bidbid Fort is one of the most recent to receive the ministry's attention. After 14 months of extensive repairs it stands as it did in its heyday, with 42 steps leading to its highest watchtower. More painstaking work is being done at Jabrin, a massive 17th-century palace near Bahla with two courtyards surrounded by ornate arches and rooms with ceilings delicately carved and painted in pure Omani style.

To a casual observer, Abu Dhabi might never have existed before the discovery of oil, so totally has it been renewed, but in Dubai efforts have been made to keep the port's famous wind towers, now dwarfed by a forest of skyscrapers. Dubai's great trading reputation brought many Persian skills in building and design. Persians settled on the south side of Dubai Creek in an area that came to be known as Bastakiya, where their homes incorporated the use of a *badgeer*, or wind tower, the forerunner of air conditioning.

Most of Dubai's wind towers are nearly 15 meters high where wind velocity is nearly double that at ground level. Each has four concave faces, which act as funnels to trap the slightest breeze and divert it down into the home. Most of these dwellings are considered too large and inflexible for modern use, because a family would live on the first floor in summer, to make the most of the cooling breezes, and the ground floor in winter.

The current revival of interest in Islamic architecture has led to new homes being built in Sharjah and Abu Dhabi incorporating wind towers and, after research by the aeronautical department of Britain's Bristol University, Sharjah's picturesque new suq was adorned with wind towers that successfully

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After the Bonanza: A Steady Market For West's Builders

By Anthony Davis

ALTHOUGH the great construction bonanza of the 1970s is definitely over, the Arab world continues to provide the world's international construction community with its most important market. West Germany, for example, relies on it to the extent that the region takes as much as 80 percent of the country's total exports of construction equipment.

Of the individual markets within the region, Saudi Arabia heads the league, having regained its dominance over Iraq, which briefly held top position in the first half of this year. The main factors shaping a significant year for the kingdom have been maintenance of national security in the face of Islamic fundamentalism and uncomfortably close hostilities involving Iran, Iraq, Syria and Lebanon; smooth assumption of power by King Fahd; and announcement in April of a surprisingly strong annual budget which, in defiance of the prospect of prolonged disruption in oil revenues, maintains development spending at the prevailing high level to ensure implementation of the ambitious five-year plan.

Reflecting Saudi Arabia's political need to develop its own human and economic resources in order to free itself from dependence on foreign products and services, the beneficiaries of the largest increases in this year's budget are industry, electricity, agriculture, education and manpower training, health care, defense, public housing, and social, municipal and rural development. Downgraded in budgetary priority are infrastructure, transport, communications and public administration, which have been brought to sufficient maturity, according to government explanation, to allow concentration on development of the productive sectors.

A projection of this transitional trend on to the wider screen of the five-year plan confirms that 1982-1983 will be seen not only as an important milestone along Saudi Arabia's astonishingly high-speed racetrack to modernity but also one that contributed most directly to the kingdom's basic goals.

Among the most important of these goals are:

- To operate hydrocarbon-based processing industries in order to maximize the value-added potential of crude oil production;
- To create diversified capital-intensive economies around manufacturing, mining and agriculture;
- To prevent national economic erosion by maintaining the value of fixed capital through the development of technical maintenance systems and the replacement of foreign manpower with Saudi nationals;
- To carry the development initiative into the rural areas and thus create new economic and social opportunities in all regions.

To these ends, the third five-year plan, 1980-1985, will draw a government expenditure of $235 billion. It is important to note that this does not include defense spending, nor the kingdom's private sector expenditure, which is now growing at a faster rate than state spending. Out of Saudi Arabia's total spending during the five-year period, including state, defense and private allocations, the construction industry is likely to benefit by around $150 billion.

Saudi Arabia's industrialization hinges on the use of the country's hydrocarbons for refining and "downstream" manufacturing. The twin poles of this enormous undertaking are the petrochemicals conurbations

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Turkey Making Inroads Into Market

By Metin Munir

TURKISH contractors have made strong inroads into the highly competitive Middle East and North African construction markets and are increasing their activities there.

Their overseas order book grew from $1.6 billion in 1978 to $4.8 billion at the beginning of 1981. By May 1982, the volume almost tripled to approach $12 billion: $8.1 billion in Libya, $1.5 billion in Saudi Arabia, $1 billion in Iraq, and $1 billion in other countries, including Kuwait, Jordan, Abu Dhabi, Senegal and Egypt. Nurettin Kocak, one of Turkey's leading contractors and chairman of the Association of Construction Contractors of Turkey, said that unless OPEC countries face unforeseen financial setbacks, volume could reach $16 billion by the first quarter of 1983.

Turkish contractors started looking to overseas markets for work in 1977 when order books started dwindling at home because of recession. Ayhan Sahenk, a leading contractor, whose company, Dogus, has $300 million worth of contracts in Libya and specializes in the construction of roads, dams and tunnels, tells a common tale: "We started looking for contracts abroad in 1977 and 1978. The reason was that there was very little available in Turkey in the way of heavy construction, in which my company specialized."

Gama, which has a $25-million order book in Jordan and Saudi Arabia, started looking for overseas contracts in 1980. Cesalin Egel, a top Gama executive, said, "Our volume of work started contracting at home so we started looking abroad."

Mr. Kocak's Kutlutas was among the first to win an overseas contract. He said: "My company had completed 40 projects. This gave us a lot of experience and technical strength. We were getting too big for Turkey. I started following tenders in the Middle East and North Africa in 1975 because the domestic market was contracting and the country was starving for hard currency. That year I won my first contract in Iraq." In May 1982, Kutlutas's contract volume had reached $333 million in Libya, Iraq and Saudi Arabia.

After Turkish generals seized power toward the end of 1980, incentives were introduced to boost exports, and hard currency revenues and contractors benefited. Turkish contractors' overseas earnings were exempted from the 40-percent corporate tax and bonds from the 25-percent expenditure tax and stamp duties. But the government gave the contractors their biggest push by using Turkey's considerable influence in the Middle East and North Africa, in particular over Libya, Iraq and Saudi Arabia.

The main strength of Turkish contractors lies in the availability of trained and experienced engineers and technicians and the abundant supply of unskilled labor. All three categories are cheap in comparison with their Western counterparts. A Turkish worker costs one-tenth of a German worker and a Turkish engineer, a quarter.

Like the Koreans, Turks employ only their nationals. This eliminates many of the problems that could come about in a multinational environment and is conducive to productivity. It enables contractors to transfer machinery and manpower virtually intact upon the completion of work. The conditions and business environment in the Middle East are very similar to Turkey, where more than 95 percent of the 45 million population is Moslem.

Mr. Kocak said: "Viewed from technical capacity and qualified manpower, there is no difference between us and our colleagues in Europe and the U.S., except that our costs are much lower. Turkish labor is cheap. We are accustomed to the living conditions of the Middle East and North Africa and Turkey is close to these places."

Mr. Sahenk agreed: "Turkish contractors are a product of Turkey. Such things as late payment, bureaucracy, poor communications, and difficulties in obtaining equipment and spare parts, which daunt Western contractors, are nothing new to us. We completed huge projects under conditions that would repel Western firms."

Another strength of Turkish contractors is in their organizational makeup. With few exceptions, leading Turkish construction companies either have interests in manufacturing or are a part of a large holding company with diversified interests. This is a product of the uneven nature of construction activity, which, as in most countries, forced contractors to invest their profits in fields other than construction. Some construction companies set up manufacturing plants to supply their construction activities. Others invested in such diverse fields as newspaper publishing, electrical bulbs production, chemicals, textiles, and food.

Mr. Kocak said, "Thanks to this integration, construction companies have survived those years when the construction industry was at its lowest and in fact not only survived but maintained their growth."

Kutlutas, for instance, embraces 21 companies, including carpets, prefabricated housing, synthetic fibers and yarns and chemicals. Combined turnover is expected to be $226 million this year. Contracting will account for up to 40 percent of the total.

Another strength lies in the fact that the Turkish construction firms are all exclusively family owned. Virtually all of the country's contractors are self-made men of the past two decades. They are able to make quick decisions, take risks, make personal contacts and act with speed that eludes long-established, larger Western companies.

It is more difficult to get Turkish contractors to talk about their weaknesses. One main weakness, according to Mr. Egel, is that Turkish industry does not have the capacity to enable contractors to bid for turnkey projects in such sophisticated work as the construction of refineries, power generators and the like. Simi-

(Continued on Page 16S)

CONSTRUCTION IN THE ARAB WORLD

U.S. Corps of Engineers: A Unique Role in Saudi Arabia

THE U.S. Army Corps of Engineers has played a unique role for Saudi Arabia. Since the early 1950s it has acted as an agency of the Saudi Arabian government, responsible for the management of a vast multibillion-dollar construction program. The corps is also engaged on considerable programs in Jordan. Oman and Egypt.

Within the next three years in Saudi Arabia alone the corps expects to award nearly $6 billion worth of construction and construction-related contracts. On a smaller scale, it will have a band in awards of contracts worth between $200 million and $300 million in Oman — in this case for facilities to serve U.S. forces in time of need; $57 million for construction of facilities for Jordanian armed services. and as much as $500 million for work — also to back possible U.S. forces — in Egypt.

If Saudi-funded work is not further extended, however, the end of this decade will also see the end of a remarkable 40-year career in Saudi Arabia for the corps. Its role began there in 1951 with the design and construction of an award-winning international airport — at Dhahran — and will have included completion of naval, air and ground military bases, complete cities, and training facilities and other support projects.

Over the same period the corps has trained several generations of local technicians and managers in many engineering techniques, including investigation, planning, design and construction and in management skills such as handling purchase, storage and use of enormous quantities of materials and supplies, contract administration, maintenance and operation techniques.

Suprisingly, the corps has seldom awarded construction contracts to American companies. In fact, after the mid-1950s when American contractors secured something like 50 percent of all construction contracts awarded, the proportion gradually declined to virtually nothing by 1981 when contractors from Asia and some from Europe took over.

While the Saudi government has preferred U.S. designers and engineers for planning and project management, it has followed the U.S. Army Corps' traditional practice of awarding contracts to the lowest bidder. And as U.S. contractors — hampered by higher costs, numerous restrictions imposed by their own government and difficulties of financing — have dropped out others have moved in, some capitalizing on labor availability, aid from their own governments, far fewer scruples about boycotts and undoubted capability.

In Jordan, the corps is undertaking contracts estimated to cost some $57 million (of which $40 million will go toward construction of an armor rebuilding factory). In Oman there are U.S. corps-managed projects at four locations. The major one is at Masirah Island, off the west coast; others are at Thumrait in the south, Seeb, near Muscat, and Khasab on the Strait of Hormuz.

Facilities at the locations — some of them now being designed — will cost between $200 million and $300 million. At Masirah Island, barracks and mess halls, fuel and ammunition storage, a supplemental power generator, desalting equipment and runway improvements in the existing air base are to be built.

At Seeb, work is under way to provide petroleum and ammunition storage, warehouse facilities and parking aprons and maintenance facilities — all scheduled for completion in 1984.

At Thumrait, with completion also set for 1984, the work involves runway improvements, petroleum and ammunition storage, billeting and maintenance facilities.

— ANTHONY DAVIS

Aga Khan Prize: A Bid for Quality, Sense of Islam

TO MANY PEOPLE sensitive to architectural change the oil boom of the 1970s brought to the Middle East a rash of ill-conceived buildings, mostly based on foreign ideas unrelated to local conditions and culture. In an attempt to counteract characterless transfers from the West and false imitations of an unstudied Islamic past, the Aga Khan announced in 1976 his intention to offer an award to encourage architecture in the spirit of Islam.

He set up an international steering committee under his own chairmanship, and seminars have been held in different parts of the Islamic world, normally every six months, to explore local architectural conditions and extend the awareness of local architects and their patrons. The opening seminar was held in Paris in 1977 and later ones were held in Istanbul, Jakarta, Fez, Amman, Lahore, Beijing, Geneva and Dakar. Each examined a different theme, such as conservation, housing, symbolism in architecture and the Saheli-an city.

The initial intention was to make up to five awards worth $100,000 each, but experience showed the judges that no single project was worth such a high sum, and the $500,000 allocated to the first prize-giving in 1980 was divided unequally between 15 winners, with three receiving more than the others.

Building activities were surveyed in all parts of the Islamic world and data collected on the architectural profession and education, the construction industries, self-help projects and conservation programs. By no means the least important aspect of the operation was the body of research material provided by the losers as well as the winners.

Winners in 1980 included the National Museum in Doha, Qatar, "for restoring and creating a national museum out of a group of buildings that is intimately linked with Qatar's history and traditions, and for being first in the field in that particular area of the Moslem world," and a house in Agamy, Egypt, for "an effort to combine modern technology and functional forms in the context of Islamic culture."

Work is already advanced on the choice of candidates, about 250, for the second Aga Khan Award for Architecture, to be announced later next year. The methods of reaching final decisions and of establishing the appropriate criteria are still very much in their formative stages. As the jury, which must be at least 50 percent Moslem, put their task in 1980, the winners "represented not the ultimate in architectural excellence, but steps in a process of discovery, still an incomplete voyage toward many promising frontiers."

It is wrong, they felt, to talk about Islamic architecture, but rather to consider architecture for Moslems. Its future depends on meeting certain urgent needs, such as low-cost housing, and to keep social and economic needs, as well as design quality, constantly in focus. What at first appeared a dilemma proved to be an illusion. "What is really needed," they concluded, "is a redefinition of architectural excellence in a socio-economic context."

— GEOFFREY WESTON

Yanbu and Jubail: Saudi Arabians Plan Twin Cities as Industrial Base

By Michael Frenchman

SPEARHEADING what amounts to the largest construction undertaking in the Arab world — if not in the world — is the Saudi Arabian project for the future cities of Yanbu and Jubail.

Hailed by planners as "development nuclei," the twin cities are seen as a means to create industrial expansion leading to a healthy added value export business based on the local natural resources — oil and gas.

During the current five-year plan (1980-'85) Saudi Arabia is slated to spend around $150 billion on construction projects.

Six years ago the Bechtel group, of San Francisco, and the Parsons Corporation, were awarded a 20-year contract by the Saudis to advise and manage the Yanbu and Jubail industrial complexes, which are on the Red Sea and Arabian Gulf respectively.

Jubail, once a small fishing village inhabited by a few dozen families, is a mass of gleaming storage tanks and pipes, with what will become residential accommodation for 370,000 workers and their families by the end of the century. Utility-works landscaping, two 4,000-worker construction camps, a 1,000-unit family housing camp, a 200-bed hospital, six-lane highways, a seven-mile-long jetty, and the first 1,700 permanent dwelling units are already under construction.

Already there are about 46,000 workers living in Jubail who are involved in the construction and engineering works out of a total of 297,000 in the construction industry as a whole in the country. Five years ago, according to figures just released by the Ministry of Finance and Economy, the total number of construction workers was fewer than 80,000 as construction of the primary industry plants gets into full swing and the second phase starts.

Total financial commitment by the Royal Commission for Jubail and Yanbu in the current 1982-'83 budget year is said to be $875 million, which is a little less than had been anticipated for the continued rate of expansion. Bechtel's subsidiary, Saudi Arabian Bechtel Co., which has the Olayan group as its local partner, currently has some $5.8 billion in hand divided up among 300 contracts, the majority of which are held by local companies. The larger contracts have been deliberately broken down into smaller ones in order to encourage greater participation by local companies in accordance with the government's wishes.

Total costs of the complete complex are difficult to arrive at but according to reported statements from Bechtel, the principal 16 heavy industrial plants alone will cost at least $15 billion to which must be added all infrastructure expenses plus financing of the gas-gathering and power generation. Some economists believe that if inflation is also taken into account the total costs may exceed five times that of the main processing plants.

All the plants are based on hydrocarbons, with the exception of an 800,000-ton-a-year steel plant that will be operated by the Saudi Iron and Steel Company. Eight of the primary plants, including the steelworks, in the first phase are well advanced and the remainder will be under construction next year. Another dozen or so support industry plants allied to the construction works are also in operation.

The two hydrocarbon-based processing plants nearing completion are the 500,000-ton-a-year al-Jubail fertilizer company and the Saudi Methanol Company, which will have a capacity of 650,000 tons of chemical grated methanol. Both are due to start up next year. The other plants that will be producing urea, polyethylene and ethylene products are scheduled for a refinery completed in the same year by which time the 932-square-kilometer urban-industrial complex will be fully operational. And, if the schedules are kept, several hundred secondary and tertiary industries will also have been set in motion creating the world's largest industrial park and the Arabian peninsula's most modern city.

Yanbu, which is on a smaller scale on the other side of the peninsula, is the second major industrial city that will have a population of 150,000 by the end of the century. There has been less emphasis in the planning on the urban elements and a concentration of effort on developing refinery capacity. It is hoped that this might in the longer term attract a spate of secondary downstream and related manufacturing industries.

A service port has already been completed and first shipments of LPG have already begun. By 1988, the industrial port will be able to export nearly 90 million tons of crude oil, 12 million tons of refined products, 10 million tons of NGL and 1.5 million tons of general cargo, making it one of Saudi Arabia's principal oil exporting terminals.

The port forms a vital terminus for oil production in the Eastern Province, which is being supplied by the 1,200-kilometer Petroline. The main port and terminal works have been carried out by the Dong Ah Construction Industrial Company from South Korea, which has more than $2 billion of contracts in Saudi Arabia.

The Koreans are among the most active non-European or American companies in Saudi Arabia and hold some $24 billion worth of construction business.

JEDDAH LEISURE CENTER — Architects Slater Hodnett and Partners designed this multipurpose sports center.

Conserving the Past

(Continued from Page 9S)

ventilate the pedestrian areas inside.

Easily the most imaginative piece of architectural conservation in the Arabian peninsula is the National Museum in Doha, which was opened in 1975 and could be the forerunner of other similar enterprises. From a ruinous group of old Qatari houses, including the old emiri palace, in which the present emir grew up, the British firm Michael Rice and Company planned and designed a sensitive complex, which brilliantly captures Qatar's sense of national identity.

Old photographs, the memories of older members of the emir's family and retainers were able to fill in gaps where physical evidence was lacking. The houses were returned to their original state and furnished in traditional style, and a delightful network of gardens and gravel paths was made around them but within the containing walls.

A modern building, which defers to the old and picks up some of their elements, contains more displays, including the country's fishing and pearling past. Land reclamation had pushed the sea away from the complex, and so an artificial lagoon was created for displaying traditional sailing vessels. No more complete record of life in eastern Arabia exists elsewhere.

Saudi Arabia's efforts to mobilize its vast resources have been ponderous. Apart from isolated mud-walled buildings like the Musmak Fort and the Muraba Palace, the home of the country's founder Ibn Saud, which is to form the hub of a national museum also conceived by Michael Rice, Riyadh has nothing to preserve. Ten kilometers (6.2 miles) to the north, however, is the magnificent abandoned city of Dariyyah, sacked by the Ottomans in 1819 and earmarked for eventual restoration.

The Directorate-General of Antiquities and Museums in Riyadh is in charge of all such projects and spent five years charting the country's vastly scattered heritage, but until recently all conservation efforts in the Arabian peninsula have concentrated on individual buildings chosen in isolation for their architectural or historical importance. The shift in interest toward groups of buildings, significant not because of their individual quality but because they present a picture of the past as a group, was an idea that has blossomed in the West in the last two decades but has gained little ground in the Middle East.

Jeddah, however, is an exception thanks to the single-minded determination of its mayor, Sheikh Muhammad Said Farsi, an architect. Sheikh Farsi recognized the importance of the surviving old core of the city in what is known as the Al-Balad district and placed an embargo on demolition in the final 1.5 square kilometers. More than 4,000 people live and work there, but it is dilapidated and unfashionable as a residential area.

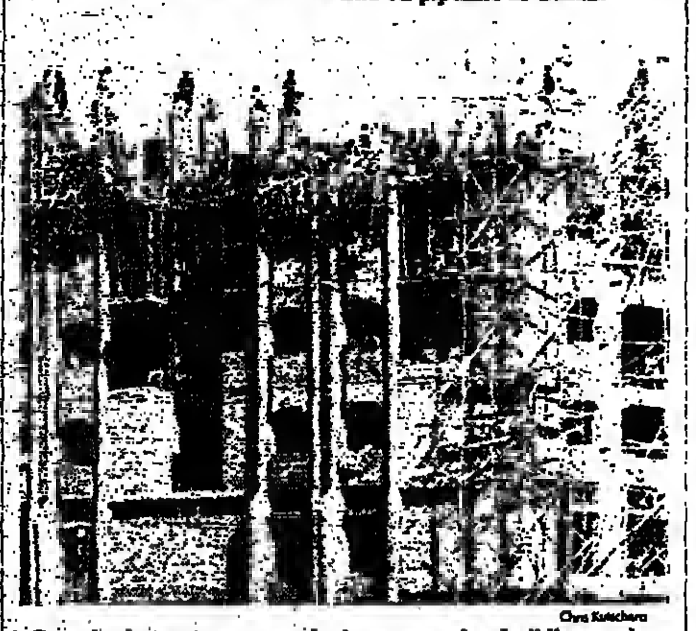
The district has a unique character arising from the random network of narrow streets and the variety of historical buildings. The Turkish and Egyptian styles date back to the 18th century and incorporate magnificent *rawashin*, carved and fretted wooden bay windows.

The city's architectural consultants, Robert Matthew, Johnson-Marshall and Partners, have estimated the cost of restoration at 1.30 billion riyals, but the mayor's problem is not so much raising finance as convincing the handful of rich families who own the old buildings that restoration is worthwhile. The cultural argument is surprisingly backed by a survey of the inhabitants, more than half of whom said they wanted to stay put and have their homes restored instead of moving to modern dwellings. Jeddah appears to be on the threshold of the biggest conservation step in the region.

هكذا من الأصل

CONSTRUCTION IN THE ARAB WORLD

Construction on the Fahud oil pipeline in Oman.



Ova Kutschera

Crowd of spectators perched on top of a building under construction watches a National Day parade in Abu Dhabi.

Fall in Oil Income, Slow Growth Sharpen Competitive Edge

(Continued from Page 9S)

enormous, availability of money is the deciding factor. Complete renewal of Cairo's sewerage system, further improvements to the Suez Canal, ports developments and homes are likely to be the priorities. The defense market could also prove substantial for construction firms if U.S. funding of a major new base at Ras Banas occurs.

One thorny technical problem causing worry among foreign contractors is the question of decennial liability. This places a responsibility on developers and contractors and anybody else linked with a building project for any structural defects for the first 10 years of its existence. Egypt, which inherited the legislation from French administrators, is the only Arab state to have the law.

IRAQ

A huge conference center built for a nonaligned countries' summit conference this fall has stayed empty in Baghdad. The complex, equipped with lavish facilities, is a symbol of the international aspirations of President Saddam Hussein, as well as the serious concern that foreigners feel about the war with Iran.

Contractors are worried about the conflict. After Saudi Arabia, Iraq is the richest market in the Middle East. The 1981-1985 five-year plan points to spending of $130 billion. However, the budget has had to be revised in favor of the war effort.

In economic terms, the war has so far proved considerably more manageable than many thought. This has been due to a large extent to assistance from Iraq's Gulf neighbors, who are thought to have donated between $16 billion and $30 billion to help finance the war.

While at all times giving priority to military needs, Iraq has continued to spend massive sums on developing road, rail and air transport facilities, irrigation, drainage schemes and housing. When peace returns, substantial reconstruction will also be needed, particularly refineries.

Among the most spectacular infrastructural developments are the Baghdad metro and Mosul Dam. Tendering for the metro's 32-kilometer (nearly 20-mile) first stage is due to be completed by the end of 1983. A second phase will involve another 11 kilometers.

Few sectors are left untouched by the ambitions of the government. The scale of work and prospects of further huge contracts tend to offset the worries of those who question the heavy commitment of South Korean, Japanese and West German companies to the Iraqi market.

Concern about the military conflict and payments is compounded by shortages of raw materials and manpower. Iraq did not have a sufficient pool of labor before the war for its project development. The conscription of increasing numbers of men to the army has exacerbated the problem. However, as long as Saudi Arabia and Kuwait keep the cash tap on, competition will stay brisk in what is one of the main areas of business.

KUWAIT

Concern about the outcome of the Iran-Iraq war has failed to destroy confidence in Kuwait's economy, despite the country's closeness to the war zone. In the construction sector, road projects, petrochemical developments and urban improvement schemes continue to feature prominently in budget plans.

Local contractors have steadily asserted themselves in the last few years. *Foreign companies, facing local competition in many instances,* regard work in Kuwait as a loss leader to gain other work in Iraq rather than as a profitable exercise. An example is the spectacular Bubiyan road bridge now in the final stages of construction by France's Bouygues. The 2.4-kilometer bridge linking the mainland with Bubiyan Island has been described by the company as a showcase for its novel construction methods.

Foreign contractors still have an edge in technology-related work. The Japanese, as elsewhere, have been highly successful, and Italian companies *are building a desalination plant and a fourth ammonia line for* Petrochemical Industries Company. However, even for the oil sector's engineering contracts, Kuwaiti interests can now compete through acquisition of the United States' Santa Fe Corporation and its process engineering subsidiaries.

QATAR

Qatar's construction market has been stimulated this year by government *approval for a number of infrastructure developments in and* around Doha, the capital. However, contractors are tempering their optimism with the realization that an increase in Gulf tension and further falls in oil revenue could slow things down.

Potentially the largest project is the West Bay development in Doha, which is intended to provide residential accommodation, new embassies and government buildings. The development is funded by the technical office of the emir, Sheikh Khalifa bin Hamad al-Thani. The technical office also funded building of the Sheraton Hotel in Doha and Qatar University, which is about to enter a second phase of development. Doha's population is expected to rise considerably in the next few years to 400,000 people, creating a demand for about 34,000 extra houses and more roads.

The trend, as in other parts of the Gulf, is to increase local participation, *though domestic companies seem content to concentrate on smaller* scale work. In a limited market, where only 70,000 of the total estimated population of 240,000 are Qataris, there is little margin for error. By the the same measure, the international market for hydrocarbons is making investment decisions on projects such as the North Field gas development difficult. Apart from cash constraints, the main problem for foreign companies is acquiring labor. With continuing Gulf tensions, the present tight entry controls seem unlikely to be relaxed, whether or not an upturn in the economy is sustained.

UNITED ARAB EMIRATES

A marked slowdown in the United Arab Emirates' economy because of lower oil revenue and uncertainties created by the Iran-Iraq war has inevitably affected construction projects. Prestige developments like the 270-meter Abu Dhabi tourist tower and new airport at Al Ain have been delayed. In spite of this, competition is still intense for work aimed at *broadening what is a well established infrastructure.*

Officials in the wealthiest emirate, Abu Dhabi, are quoted as saying that 1983's investment program will not include new projects but concentrate on financing those already being carried out. Federal priorities remain social projects like schools and hospitals and development of electricity and water resources. There is talk in Dubai of a new airport to serve the 66-berth Jebel Ali industrial port, which will also receive a boost if negotiations are successful in obtaining an operator for the port's dry dock, which has been unused since it was built.

Meanwhile the first projects at Abu Dhabi's industrial zone at Ruwais, 225 kilometers west of Abu Dhabi city, have come on stream, including a refinery and gas gathering plant. A *master plan sets aside areas for other* petrochemical developments, iron and steel and light industry. Ruwais is seen essentially as a long-term development to establish a community and industrial base offering thousands of employment opportunities. While a slowdown has occurred in some of Abu Dhabi's publicly funded schemes, privately funded building work has continued briskly. A potential $2 billion development involves a complete residential and commercial district for central Abu Dhabi. Included in the plans are 12 apartment blocks, offices, shops, recreational facilities and car parks.

Dubai also plans a master plan approach for urban projects. Many consider it long overdue. A major problem throughout the 11-year-old emirates federation has been inadequate liaison between planning organizations. The next decade will tell whether the emirates will voluntarily adopt new approaches or be forced by lower income to cut out wasteful duplication.

SAUDI ARABIA

Saudi Arabia's massive investment in infrastructure and industrialization puts the kingdom in a category of its own in the Middle East. The biggest single spender on construction in Saudi Arabia is the Ministry of Defense and Aviation, which will account for $27 billion of this year's national budget, or about 30 percent of the total. Of this amount, which is comparable to Britain's defense budget, about 65 percent will go on projects involving substantial building work.

Much of the defense-oriented work involving armed forces bases and housing is being carried out by the U.S. Army *Corps of Engineers. Since* it began its first construction project in the kingdom in 1951, building Dhahran airport, the corps has been responsible for $20 billion of work in Saudi Arabia, *mostly for the Defense Ministry.*

One of the most expensive projects is King Khaled Military City, north of Riyadh, which will eventually accommodate 70,000 people. Another project, the $1.4 billion King Abdel Aziz Military Academy, near Riyadh, is due for completion next year. Other building work worth $4 billion is being carried out for the Saudi Arabian Navy.

As in other sectors of the Saudi construction scene, Far Eastern companies, particularly South Korean, such as Hyundai and Dong Ah, are prominent. The South Koreans are estimated to have about 20 percent of all Saudi Arabian construction work, largely because of their ability to provide low-cost labor, quick reaction to tenders and a reputation for working to schedule. But as contractual work becomes more sophisticated and emphasizes technology more than muscle power, the present Far Eastern dominance may slip.

OMAN

Oman does not have the oil wealth of its Gulf neighbors. In spite of this, a well-managed economy has allowed the sultanate to embark on a steady expansion of infrastructure, including several major projects. The biggest achievement in 1982 has been the opening of Oman's first refinery. Other large projects under development in the present five-year plan are Qaboos University, the Rusail industrial zone, and urban and major highway programs.

Defense claims the lion's share of the budget, and a large-scale improvement of military facilities at Seeb airport, Thamarit airbase and on Masirah Island is planned to accommodate units of the U.S. Rapid Deployment Force. However, local companies and joint ventures that have been hoping to gain up to 50 percent of the work being supervised by the U.S. Army Corps of Engineers may be disappointed if Congressional demands for a greater share of the work for U.S. companies is heeded.

Manpower Challenge to Contractors: Welding a Multinational Labor Force

By Susannah Tarbush

IN MIDDLE EAST construction projects, the way in which the work force is selected and managed is of particular importance. Because of the shortage of indigenous labor in the oil states, construction work depends heavily on third-country nationals, who may come from other Arab states or, increasingly, from non-Arab developing countries. Welding together a labor force that includes men of various nationalities poses a great challenge to site managers.

One has only to scan the pages of the Middle East business press to see *how competitive supplying third-country national labor has become.* Advertisements placed by companies from India, Pakistan, South Korea, the Philippines, Indonesia, Thailand and elsewhere promise to provide the contractor with manpower in just the amounts and categories he needs.

Workers' remittances have come to play a vital part in the economies of the labor-supplying countries, and governments are anxious to increase the presence *in the Middle East of their nationals. Visits such as* that made to Saudi Arabia earlier this year by President Ferdinand E. Marcos of the Philippines assume great importance in building relations with the Arab labor-importing states.

As a recent World Bank study highlighted, the most dramatic change in the pattern of international labor migration to the Arab world since 1975 has been the increasing role of Southeast Asian countries, particularly South Korea and the Philippines and to a lesser extent Indonesia *and Thailand. These countries entered the Arab labor market through* national contracting companies, which brought in the labor and established work camps at project sites. The companies provided most of the basic services for their labor force, including housing, health services and utilities.

The work camp approach to recruitment became "exceedingly attractive" to the host countries, the World Bank study noted. "It lowers *recruitment costs, alleviates pressures on housing and other basic ser*vices normally provided by government and provides physical separation of the industrial area and the non-national labor from the local community."

The presence of Indian and Pakistani workers goes back much further than that of the Southeast Asians, and has, since 1973, been increasingly organized through private agencies. Indian construction companies, such as Engineering Projects India and the Indian Road Construction Corp., have won major contracts in the Middle East on which they used their national work force.

Although the rapid growth of the foreign labor force has been inevitable given the demands of construction in the oil states, it has become a matter of concern to indigenous populations, who feel that their identity and social fabric is threatened. Particularly in the United Arab Emirates, the local press periodically warns of what it sees as the dangers of the large alien population.

The Sharjah-based Al-Khaleej newspaper wrote in October: "The increased number of Asians form a hidden reserve for the U.S. and Israel — they are those coherent and military trained groups who live in camps and are brought into the country by foreign companies. A firm stand toward the increased manpower is of equal importance as liberating the occupied Arab lands."

A report published earlier this year by the Abu Dhabi Planning Department blamed illegal immigrants and unemployed expatriates for the UAE's rising crime rate and recommended that population quotas for each expatriate community be established to prevent a single community becoming dominant. In Qatar, where of a total population of 240,000

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CONSTRUCTION IN THE ARAB WORLD

Complexity of Middle East Project Financing Increases as Deals Become More International

By Caroline Montagu

PROJECT FINANCING in the Middle East has become an increasingly complex business. A banker in Saudi Arabia commented, "Imagine the complexity of pricing on a mixed Saudi, European and, say, Korean joint venture. You have three legal systems, three mentalities, three corporate financial structures and three different managements."

The scale of projects, such as the huge Saudi petrochemical complexes, the multicountry sourcing for goods and services, the multicurrency financing needed, the time scales and now the international banking community's allergy to risk lending all combine to make raising funds and guaranteeing contracts hard going in the Middle East.

Sources of funds in the area vary from countries that can finance their own development to those needing credit or funds from outside. Projects in Saudi Arabia, Kuwait, Qatar, Libya and some of the rest of the Gulf are funded mainly from indigenous resources. For most others the supply of credit, either from commercial banks by way of export credit agencies of the Organization for Economic Cooperation and Development or from regional or international organizations, is pivotal to project development. Regional investment institutions, such as the Riyadh-based The Arab Investment Company (TAIC) or the Arab Petroleum Investments Corporation, owned by members of the Organization of Arab Petroleum Exporting Countries, are two such that lend and take equity in projects across the region.

The Arab aid funds, such as the Kuwait Fund for Arab Economic Development or the Arab Fund for Economic and Social Development, offer concessional funding. But, one financing consultant said, "it's political lending." Companies themselves cannot raise funds from these agencies; the country in which the project is sited has to apply. The consultant continued, "You have to try to get your project as that country's top priority." Additionally, the agencies are reckoned to be slow decision-makers and often burdened with cumbersome bidding and award procedures similar to those of the World Bank.

The Kuwait Foreign Trading, Contracting and Investment Company, often seen as a foreign investment and policy arm of the government, lends and takes equity in the Arab world. It has invested either itself or on the government's behalf in projects in Jordan, Sudan, Mauritania, United Arab Emirates, Oman, Syria and Egypt.

Countries relying more on credit than cash have looked to the Eurocredit markets and international agencies. Algeria, now considered the most creditworthy country in North Africa, has funded its massive heavy industrial development by about $15 billion borrowings on the markets as well as by oil and gas revenues. Egypt has been receiving U.S. aid for projects at $1.1 billion a year and for military purposes at $1.3 billion a year. But this will be under review next year. In the changed oil market, Libya, previously a cash market, is behind with its bills and Iraq, though bankrolled to some $23 billion from Gulf Cooperation Council states, has just turned to the Euromarkets for a $500 million trade financing facility.

One vital area of project financing is the impact of the national export credit and insurance agencies. One contractor said, "At present, they are falling over themselves to do business." Though the various agencies — Coface, Hermes, Office du Ducroire, ECGD and the rest — now talk to each other and have eased their rates rivalry through the OECD consensus, "the rates they give out officially can sometimes be improved on," said a consultant. "Companies can do worse than play them off."

Contractors seem to feel the U.S. Ex-Im-bank is not as competitive as some European agencies. National companies eye multinational conglomerates such as Foster Wheeler or Davy McKee, which for a big Middle East project can source from subsidiaries in various countries and benefit from different agencies' rates.

Companies characteristically use subsidized export credit to improve their bidding position. The role in France of the nationalized banks and aggressive government export policies have been seen as a force in gaining Middle Eastern contracts. An American banker said, "The banks are an arm of French government policy." Thomson-CSF's $968-million contract negotiated in 1980 with Iraq to set up an electronics industry in competition with Britain's Plessey Company was cited as an example of French export initiative.

European engineering firms look with respect on the way Japan's Ministry of International Trade and Industry can pull together groups to bid on lump sum, fixed price engineering contracts in the Arab world and provide financing backup. A U.S. contractor commented, "Japan's vertical integration can't be paralleled elsewhere."

The development of the Gulf Cooperation Council and of other policy groups, such as the Qatar-based Gulf Organization for Industrial Consulting, is stimulating a regional approach to industrial projects. The Gulf council's commercial side has already caused the cutting of tariffs and customs dues between the six member states. In the 18 months of its existence, the council has been remarkably effective and its first commercial moves foreshadow plans to ease the flow of capital and people within its member states and to integrate trade and industry.

Among other organizations that either channel funds or attempt to spread wealth in the Middle East a little more evenly is the Abu Dhabi-based Arab Monetary Fund, the Arab world's version of the International Monetary Fund, which, apart from providing balance of payments support, has some role in economic programs in the area. Further west, the Arab Common Market and the Arab Council for Economic Unity, both offshoots of the Arab League, are encouraging infrastructural projects and development of primary resources in cash-short states. Mauritanian iron ore, Moroccan and Jordanian phosphates and Sudanese agriculture have already benefited from such regional or pan-Arab groupings.

Arab banks and investment institutions, either national or multilateral, are now forces to be reckoned with in project financing and guarantees in the Middle East. Though Arab banks such as Gulf International Bank or Arab Banking Corp., both of Bahrain, have become prominent in the Eurocredit markets, these same banks, and many others, are stimulating project development at home. One of Gulf International Bank's areas for development is its regional financial and commercial services. The Kuwait Foreign Trading, Contracting and Investment Company is also looking to more home and Gulf commercial work.

Arab banks are arranging an ever increasing share of the contingent liability business for international contractors in the region and for the expanding local contractors. The sheer size of Saudi projects and consequent size of Saudi guarantees and bonding requirements has led to big bank business in these forms of syndications and lines of credit.

The Saudi Arabian Monetary Agency, by imposing tight capital/loan ratios and deposits/loans guidelines, has inevitably helped develop the role of the Bahrain offshore banking units in riyal guarantees, as the Saudi banks themselves cannot do it all. Other Bahraini guarantee business has recently been connected with Japanese contracts containing an export credit element, for which Japan's Ministry of International Trade and Industry requires guarantees. Arab Banking Corporation led a syndicated facility earlier this year to guarantee Syrian imports of Japanese cars and recently a $157-million facility on behalf of the Bahrain-based Arab Iron and Steel Company.

After the Bonanza: A Steady Market for West

(Continued from Page 9S)

of Jubail on the Gulf coast and Yanbu on the Red Sea. The controlling authority responsible for planning and implementing the basic infrastructure is the Royal Commission for Jubail and Yanbu, a government body that also is responsible for controlling the wider development of the surrounding cities.

The outline program for the current five-year plan also includes water supply projects to serve 720,000 additional households, more than 50 percent of them in the western region; 167 new reservoirs; 473,000 new main sewerage connections; a further 627,000 cubic meters (21.94 cubic feet) capacity of sewage treatment plant; 175 kilometers (108 miles) of isolated stormwater protection; and new drainage systems to serve 2.3 million inhabitants. Desalination capacity will have to be increased by the Saline Water Conversion Corporation to keep pace with demand. The plan requires the completion of 18 plants by 1985 and the start of five more. Japanese and South Korean firms are consistently competitive bidders for these projects.

Another objective of the five-year plan is to increase the installed electricity generation capacity by 7,568 megawatts, commission more than 8,000 kilometers of transmission lines, and connect 600,000 new consumers to the national grid.

In the housing and general construction field, although budget allocations for national infrastructure have now begun their inevitable descent, some sizable projects are incomplete and new infrastructure is needed to support specific developments outside the three main conurbations of Jeddah, Riyadh and the Dammam, Dhahran, Al Khobar triangle.

At 730,000 units, the housing target is massive, and at the moment large contracts are being awarded almost every week. More than a third of the total will be built in small towns and rural areas. The government is encouraging the private sector to take larger slices of the program, and in future will tend to limit the public purse mainly to providing accommodation for low income families, the armed forces and government employees.

By 1985 the kingdom's main road network should have been swelled by 4,500 kilometers of new main highways; 6,400 kilometers of urban roads, including 1,422 kilometers of paved two-lane routes; and 17,445 kilometers of rural earth-surfaced trackways.

In the education and manpower program, human resources development is being given special attention in line with the directive in the five-year plan to concentrate on educating and training Saudi nationals to take over the management and technical work currently being done by expatriates. The current plan calls for 848 primary schools, 105 secondary schools, 270 intermediate colleges, 60 Koranic schools, 485 girls' schools and an ambitious university program. Due to be tendered next year, for example, is the proposed $4 billion faculty of medicine and allied sciences forming phase two of King Abdul Aziz University, Jeddah. Construction management will be by Daniel International (Saudi Arabia), an affiliate of the U.S. Fluor Corporation.

Health and social care, recipient of the largest percentage increase in this year's budget, remains buoyant for construction contractors. A total of 36 new hospitals will be started in the period to 1985, along with 320 health centers, pharmacies, training centers and other specialized medical units.

The reputation that Iraq had won as the fastest growing market in the Middle East survived the first year of its protracted war with Iran. It gave several Western countries record export figures. Now the financial realities are being felt. British exports to that country in 1981, for example, were worth a record $1.1 billion, but have since dropped significantly. The decline began in the second quarter of this year when a new Iraqi import policy, forced on the government by the financial strains of the war and by domestic inflation, took effect. The market is not expected to make a recovery until at least 1983 if the best conditions prevail. For West Germany, Iraq had become the top Middle East market. More than 120 companies keep offices in the country and such a commitment makes the present uncertainties all the more difficult to bear.

A mixture of caution and optimism is thrown up in almost every analysis of construction opportunities in the smaller Gulf states.

In Bahrain, for example, a multimillion dollar construction boom appears about to take off as banks, financial institutions and insurance companies plow back profits into prestige headquarters and commercial buildings. At least 12 tower blocks, averaging 10 to 12 storys, are on the drawing board for the fashionable east end of the capital. They should be up for rental in 1975. But Bahrain's future after the hugely expensive Saudi-Bahrain causeway project now under construction is still a matter for speculation.

In the United Arab Emirates the federal budget for 1982 showed the effect of declining oil revenues. Total allocations were cut back from $1.98 billion in 1981 to $1.09 billion this year. Nevertheless, development expenditure for new projects remains high. At the end of June the Planning Ministry reported that a total of $3.68 billion had been allocated for investment during the current year. And this embraces a wide variety of projects, from public works to housing and education.

Qatar, always a cautious spender, looks well placed for controlled growth over the next few years. While weak oil prices and demand may significantly reduce the country's current account surplus this year and beyond, it is unlikely to pose serious problems. Qatar has no formal medium-term development plan, and spending and the choice of priorities are supervised by the Ministry of Finance and Petroleum.

Qatar's industrial development is already ahead of that of other Gulf states, and while there are plans to extend and modernize existing heavy industry, the emphasis is being switched toward light and medium scale import substitution industries. Further development of Qatar's agricultural, service and repair activity is also being stressed as part of a continuing policy to broaden the country's economic base.

Key factors contributing to Qatar's industrial development have been the government's willingness to accept joint ventures, with minority foreign partners providing marketing and technical expertise; the encouragement, through investment incentives, of private sector involvement in light and medium scale industry; and the existence of the state industrial development center, which processes much of the detailed industrial planning.

In Oman, development of industry, of which Rusail is the most important example, is steady rather than sensational. In that sense it characterizes the vast changes made since Sultan Qaboos bin Said came to power 12 years ago and by careful planning and self-restraint, Oman has avoided most of the errors of haste that were notable among some other states of the Arabian peninsula.

In Kuwait, although many major projects have been completed, substantial development continues. As the economy expands there should continue to be a market for high technology. In addition, major opportunities have arisen from the constant stream of maintenance contracts on completed projects. And as Kuwait's population growth, currently 7 percent a year, continues to increase, the demand for housing and for urban infrastructure will become more acute. Kuwait has one of the highest ratios of cars to people in the world, and there is consequently a continual road-building program. It is estimated that by the late 1980s more than 300 kilometers of expressway will have been completed at a cost of about $2 billion.

While attractive opportunities exist in Egypt, the most interesting North African markets are Algeria and Libya. Destroying the myth that Algeria is a closed market, available only to the French, many European firms have in recent years won a sizable share of contracts there. For Italy and West Germany, for example, Algeria is the second or third highest Middle East customer after Saudi Arabia and Libya. It is also an expanding long-term market, set to offer opportunities to foreign companies for many years. With a population of 18 million, substantial oil and gas revenues, and an extensive land area, Algeria is investing heavily in housing, schools, hospitals, industry, railways and roads.

Libya, a difficult market, forecasts expenditure of $62.5 billion during the current development plan, 1981-1985. Oil production was planned to fall by 15.3 percent by the end of the period, to be compensated by a planned annual expansion in the non-oil sector of 17 percent. But this plan has run into difficulties with the recent decline of oil exports and it is unlikely that expenditure at the proposed level can now be made. Spending allocated to development projects for 1982 has already been cut by 5 percent, and according to latest economic reports, the cut is likely to affect existing projects. New projects will be more closely examined, leading to a slowdown in awarding contracts.

Manpower Force: A Challenge to Contractors

(Continued from Page 11S)

only between 60,000 and 70,000 are Qataris, the cabinet has urged every private company to recruit at least half the work force from Arab countries.

Considerable problems have been caused, particularly for workers from the Indian subcontinent, by dishonest recruitment agencies. The Indian government is introducing legislation to try to end this exploitation by regulating the activities of the agencies. The new law also aims to exert greater control over the direct recruitment of workers by companies in the Middle East.

Despite the concern of the governments of the oil states about the size of the non-Arab population, observers believe that the trend to recruit from developing countries outside the Arab world will continue. The World Bank study predicted that the proportion of the oil states' migrant population that is Arab will fall from 71 percent to 56 percent between 1975 and 1985 while the share of the Asians will rise from 19 percent to 31 percent in the same period.

Decisions on the source of labor for a particular project are based on a number of factors, one of which is relative wage rates. These vary considerably according to the nationality of the worker. According to the Federal Agency of Karachi, in January this year the monthly wage of an unskilled worker ranged from $250 for a Filipino to $200 for an Indian and $175 for a Sri Lankan. A skilled Filipino would command a wage of $350, while a Bangladeshi would receive only $200.

Another factor is the cost of transport from country of origin, which is much higher for workers from the Philippines and Thailand than for Pakistani workers. Food costs can also vary widely. Most companies recognize the necessity of providing men with their own national cuisine and this can be expensive in the case of, for example, Thai workers whose food, including noodles and glutinous rice, is imported from Thailand.

The recruiting company must also consider the particular job for which men are needed. India, Pakistan and Thailand, for example, can supply highly skilled masons, carpenters and metal workers, who are quick to adapt to new methods.

Another consideration is the ease with which the workers will adapt to their environment. Turks are being increasingly employed in Middle East construction by Turkish contractors and foreign companies. The Turks claim that, because of the similarity of cultural background and the fact that they are Moslems, they fit smoothly into an Arab environment. Pakistanis and Bangladeshis also have the advantage of being Moslem.

It seems likely that competition between developing countries to supply labor for Middle East construction projects will grow more intense. The South Koreans, famed for their military-style efficiency, are already feeling the pinch. There are an estimated 150,000 South Korean workers in Saudi Arabia, but South Korean construction companies are increasingly employing non-Koreans because of the high wages of Korean workers. At the same time, the Korea Overseas Development Corporation provides highly skilled Korean workers to non-Korean companies.

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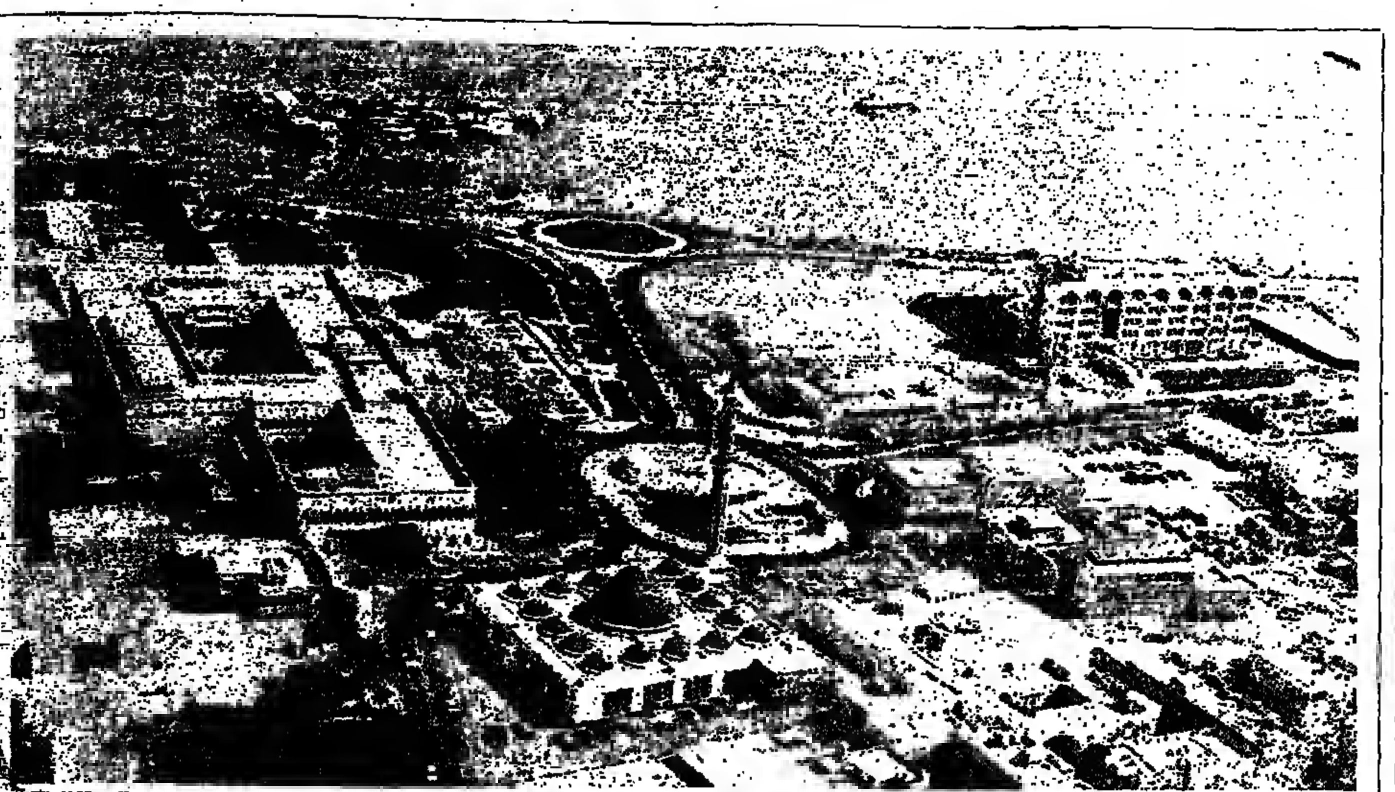
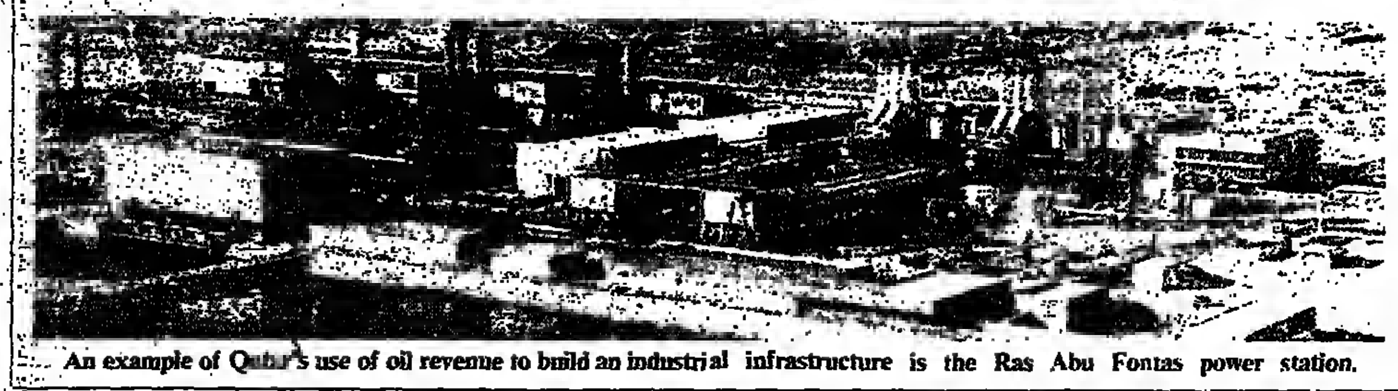
CONSTRUCTION IN THE ARAB WORLD



CENTRAL DOHA: The results of cautious planning begin to show in urban Doha: at top left, corrugated screening surrounds a new extension of the emir's place; at top right, the new Foreign Ministry building has been completed.



An example of Qatar's use of oil revenue to build an industrial infrastructure is the Ras Abu Fontas power station.

'New Doha' Quarter: Qataris Reclaiming Bay

Emirate Takes Cautious Approach, Uses Detailed Planning for Urbanization

TEN YEARS AGO Doha Bay was half exposed at low tide and unpleasant smells from effluent and rubbish, now banned from the spot, wafted into the Qatar capital.

The oil boom brought a huge influx of outsiders, expatriate businessmen, consultants and foreign workers of all kinds, as well as locals from outlying areas. Eighty percent of the population of Qatar, estimated at 220,000, now live in Doha, only 30 percent of them native. While Qataris are offered a house by the government and given priority in housing lists, the shortage of accommodation has become acute and rent inflation is running at 30 percent.

This combination of factors lies behind the West Bay development, now known as New Doha. The bay was dredged over seven years at a cost of $87 million, and the sand removed from the sea bed was used to form a new headland to the north of the capital, covering 740 hectares (1,800 acres), enough to house 60,000 people.

The master plan for New Doha was prepared by the Los Angeles consultants William L. Pereira Associates, and development is controlled by Hisham Khadoumi, a Palestinian who heads the emir's technical office. Qatar has resisted the temptation, sadly common among the nouveaux riches of the Gulf, to throw up a forest of skyscrapers with little thought of long-term planning or social and environmental side effects. Development has been cautious and slow by regional standards. There is no desire to fill New Doha in two or three years.

Five thousand new homes are expected to be built by 1990 and a further 5,000 by the end of the century, by which time 20 percent of Doha's people will be living in the new district. Housing is to be set around community centers containing shops, mosques and social facilities and will be of a high standard. The first units will be reserved for Qatari civil servants, but prices for the new plots are only a 10th of those in the city center.

An important development on the north side is the area reserved for foreign embassies, for which security is more easily organized. The Kuwaiti and Japanese embassies have already moved in and the remainder are expected to follow soon.

Qatar General Petroleum Corp. is one of the first government offices to open in New Doha. The University of Qatar is already partly housed in new premises in a complex of honeycomb design. A two-story shopping center has opened on a 12,000-square-meter (14,400-square-yard) site, and a wide variety of leisure developments wait in the pipeline, including a leisure center with a club, restaurants and children's playgrounds, a long public beach and a sports complex with an Olympic-size swimming pool, a multipurpose sports hall and a football stadium with seating for 10,000.

By far the most impressive development is the Sheraton Hotel and Conference Center, opened by the emir, Sheikh Khalifa bin Hamad al-Thani, last February to mark the 10th anniversary of his accession. The complex was designed by William L. Pereira Associates and the main contractors were Hyundai Construction Co. of South Korea. Built as a massive three-sided ziggurat on the very tip of the new peninsula, it appears to float on the sea when viewed from the center of the city and for this reason looks even more stunning at night.

One of the most luxurious hotels in the Middle East, it was built by the government primarily as a venue for international meetings, although at other times it operates on a commercial basis. The conference center was inaugurated with a meeting of the Organization of Petroleum Exporting Countries.

Local companies were closely involved in the construction, such as Gulf Superstromek Piles, which drove more than 2,415 concrete piles through the dredged fill into the rock beneath. More than 4,000 metric tons of steel made and erected by Kawada of Japan were used in the structure.

The interior, based symbolically on the shape of a bedouin tent, is even more dramatic, an astonishing tapestry of rich colors and shapes. Vividly tinted glass elevators cling to the side of a massive central column rising through all 13 stories from a pool.

A giant latticework cupola, based on the shape of traditional Arab skull caps, hangs over the atrium lounge. It is made of plastic-reinforced gypsum and trimmed with 3.5 miles (5.6 kilometers) of brass. Inside is a 7,000-watt chandelier four meters high made of gilded Venetian glass, believed to be the largest of its kind in the world.

All 442 guest rooms and 48 suites have private balconies, each shaded by the projecting edge of the floor above. Shade is an important factor, too, in the interior garden and the 17 acres of landscaping outside. The sea salt was flushed out of the reclaimed land and a computerized underground irrigation system installed to water plants, which had been specially acclimatized.

If the sybaritic wonders of the Doha Sheraton, the flagship of West Bay, are Qatar's one concession to prestige building, quality is the declared keynote of the whole of the new district. How popular living in New Doha will be remains to be seen, since it is only just above sea level and humidity is the highest in the city. Some local residents are inhibited by the idea that it is not "real" land. Mr. Khadoumi is not worried. "We are not going to hurry, we are going to get it right: so the more regulated the pace the better," he said.

—GEOFFREY WESTON

Tougher Bonding, Guarantee Requirements Make for Shedding and Spreading of Risk

THE PROVISION of bonding and guarantees for contract performance in the Middle East has been described by one U.S. contractor as a snake charmer's art. The finesse of the exercise lies in the shedding and spreading of risk. The execution of contracts is supported by a raft of guarantees, indemnities, counterindemnities, bonds and standby letters of credit to meet the tough contracting conditions of the buying countries.

Profitability, or even break-even point, can be wiped out by heavier than expected bonding expenses and definitely by inadequate financial analysis in the early stages of the contract negotiations. Though Middle Eastern states, with the possible exception of Libya and the obvious example of Iran, do not unduly call bonds, levels of direct and contingent liability are high for contractors and banks.

Bonding requirements in the area are considered very one-sided in favor of the client — "an open-ended risk throughout the whole period of the contract," as one British finance manager put it. Virtually all bonds are on demand and in Saudi Arabia local rules restrict the use of conditional guarantees. "Bonding is arduous and expensive," a representative of a U.S. process engineering corporation said.

Four types of bonds or guarantees are needed through a contract's life: a bid bond, usually between 1 percent and 2 percent of the bid price and demonstrating the company's serious commitment to the work. After the contract is let, this is replaced by a performance bond, mostly 10 percent of the value, but 5 percent for government contracts in Saudi Arabia. This bond, guaranteeing the contractor's performance, remains in place until the client has accepted the works. The third is a guarantee against advance payment and the fourth a retention money guarantee. Civil works contracts tend also to contain decennial liability clauses.

All these guarantees, contractors say, are subject to hassle and to varying conditions in different countries. For instance, in the United Arab Emirates each emirate acts somewhat differently, though oil-sector contracts in Abu Dhabi tend to follow more standard international forms. And throughout the region private sector contracts vary substantially from government conditions, and often leave contractors very exposed.

Contractors cite an array of risks and problems. They say they often have difficulty in getting bonds released or canceled after due contract performance. "People in the Middle East are scared of signing bits of paper," a British contractor said.

Advance cash payments can be another headache. They are customarily made at between 20 percent and 25 percent of contract value, either as a loan to be repaid or as an advance that is gradually paid back as performance continues. Contractors say they frequently have difficulty in getting the guarantees for these sums reduced as work progresses and more is paid back. Saudi Arabia apparently has a poor reputation for this.

One European contractor with a recent contract in Algeria said that there, at least, there exists written down a mechanism for reducing advance cash payment guarantees. In Oman, however, where FIDIC (Fédération Internationale des Ingénieurs Conseils) contracts are normative, reduced ACP bonding liability is well accepted.

Well-versed contractors often comment that last year's experience is not necessarily relevant to this year. Saudi Arabia is a case in point. A Saudi expatriate banker said, "The economic situation is substantially changing." With some real signs of a shakeout in the economy due to decreased current revenues, a Royal Decree of May 1982 promulgated a cut in public-sector advance payments, from 20 percent to 10 percent.

When the effects of this are felt in new contracts, probably in early 1983, it will be a completely different situation. Contractors will still have to make over to banks issuing performance bonds some portion of the advance payment as collateral. This, combined with the recent re-emergence of retention money guarantees, will leave projects less liquid. Contractors will have less money to lay their hands on, thus increasing risk for themselves and their banks. "Banks will have to be very careful," one of the Saudi joint venture banks said.

Kuwait, too, has cut advance cash payments, which range there up to 25 percent. Large contracts can expect 10 percent instead of 20 percent and may have to present a case citing heavy mobilization costs.

Retention money guarantees, which take the form either of the contractor withholding a percentage each time of the payments from the contractor or a bank guarantee issued in favor of the client, cause other problems. In Saudi Arabia, for instance, it is difficult to get these guarantees or sums released. There are often genuine reasons for this, since it can be difficult properly to test completed works. For example, in housing projects, related services are either unbuilt or unconnected, so absence of coordinated planning prevents the client from testing out the contractor's performance. However, other contractors say clients hold them back without any real justification. Achieving completion can be very tough in Iraq and also in Syria.

Arab countries are increasingly demanding that bonds issued by the contractor's bank are confirmed in the client's country by a local bank. Apart from small additional fees, it locks the contractor more into the host country while the contractor on his side is constantly trying to minimize his exposure to local conditions. Middle East practice on this varies between countries.

In the Saudi public sector, bonds can be accepted from international banks recognized by the Saudi Arabian Monetary Agency and from Saudi offshore banks, such as Saudi International Bank. In the Gulf, too, use may be made of nonlocal banks so long as they have a sizable presence there. But in the centrally planned economies, such as Iraq, Syria and Algeria, there is no alternative to using the local banks.

Contractors feel exposed to risk throughout the contract period. Escalation of local costs, exchange rate fluctuation and sudden shortages of local labor cannot be foreseen. A successful contract needs careful contingency planning. Iran has already focused companies on political risk. Another area can be cancellation of projects because of internal political change. The North Yemeni $16-million lubricating oil blending plant, a joint venture between Mobil and the North Yemeni government, was a casualty to a new government and a finance minister who saw it as unnecessary.

Perhaps the most obvious example of risk in projects financing in the Middle East, after Iran, came in the Kenana sugar scheme in the Sudan. In early 1975 it was estimated to cost at $125 million, but this costing excluded two vital factors: debt [illegible] during construction and working capital provisions. A year later it was costed at $[illegible] million, and at the end of 1976, after it had run out of money, consultants estimated the cost between $600 million and $640 million. In the end it cost $750 million.

—CAROLINE MONTAGU

CONSTRUCTION IN THE ARAB WORLD

QUEEN ALIA MAUSOLEUM — E.J.D. Mansfield, a senior partner of London's Halcrow Architectural Practice designed this mausoleum in the memory of the late Queen Alia of Jordan. It was completed in 1980. Among its features is its facing of calacata alpha marble from Carrera, Italy.

Amman Boom in Office, Hotel Buildings Recedes

By Sarah Searight

THE POPULATION of Amman grew from 30,000 in 1948 to 1.2 million last year. Bazaars, shopping centers and transport terminals now cover most of the city's ancient sites, but a few Iron Age forts on the nearby hills and Roman remains in the center indicate Amman's antiquity.

Its modern development is the result of war: a large influx of displaced Palestinians in 1948, another in 1967 and still more refugees from the Lebanese civil war after 1976.

The city's development has been hampered by its geography — a series of steep-sided hills converging on the town center, which has grown up since Roman times in a narrow valley. Waves of housing and office development cover the hills. Recent growth has been largely at the hands of the more affluent. The Gulf has offered Jordanians and Palestinians jobs and nearly $1 billion is remitted each year. But roots in Jordan remain strong and every Gulf wage earner wants to build himself a home in Amman.

The last three years have also seen a boom in office and hotel building, which is now tapering off. Amman has more than enough. The National Planning Council has called for an overall housing strategy, and a consultant should be chosen shortly for a yearlong, countrywide study. Under the present five-year plan, which runs until 1985, the main emphasis is on low-cost housing.

Amman has its fair share of squatters. Three years ago the Urban Development Project was set up to look into the problem of housing them. It has two projects in hand, prepared by British consultants Halcrow Fox in partnership with a local associate, Jouzy and Partners.

One is to upgrade pockets of squatters in downtown Amman, affecting about 15,000 people, by supplying water and electricity, surfacing roads and alleys, and setting up social services such as clinics and schools. The inhabitants are to be given security of tenure. The government will buy the land from the present owners and resell it to the present occupants at prices determined by income surveys. Those whose homes are demolished to make way for services, about 10 percent, will be rehoused on the edge of the city in the other project.

This will develop new areas of low-cost housing. A single concrete room on a 100-square-meter (120-square-yard) plot leaves the owner scope for enlargement when he needs it, a traditional approach to house building in this part of the world. The two projects, together worth $60 million, are being financed 38 percent by the World Bank, and the rest by the semi-official Housing Bank.

Movement from town to country is likely to continue. City growth is forecast at around 3.4 percent, sadly for the country as a whole, and low to middle-cost suburbs are being developed on the bare brown hills that surround the city. The Chinese are working on one such suburb for 40,000 at Abu Nusair, with a French-Lebanese consortium, Sojex. Consultancy bids have just been submitted for another mixed housing project, for 3,000 units, to house employees at the new Queen Alia airport, 30 kilometers (18.6 miles) south of Amman. The airport is expected to start functioning next year and the township should be ready by the end of the decade.

Offers for the Alia township had to be submitted by a local consultant in association with an international partner. This is usually the case. International companies find it politic as well as practical to have the local associate, while the latter, generally efficient and professional though he is recognized to be, finds the international partner may have more experience of advanced technology and design and new materials.

Materials are obtained from local suppliers because there are too many bureaucratic delays in importing them. Amman sits on much of the material, its limestone hills supplying most of the aggregate used in the city. Zoning is somewhat haphazard in the city but in those areas zoned for better housing, a certain amount of stone facing is stipulated according to the size of plot, and therefore the standard of house. This raises the cost of housing but also makes for a harmony that is rare in cities developing at Amman's pace. Facing stone comes mainly from the West Bank, as does most of the marble that can be used as an alternative.

Traffic is as much of a problem in Amman as in other large cities. Halcrow Fox has submitted an overall plan for roads and public transport and the National Planning Council has invited prequalification tenders for four traffic intersections. There are also plans for multistory car parks, which are desperately needed to relieve congested streets.

Building Materials: Local Involvement in Supplies Grows

RECESSION may be the key word in construction in most parts of the world, but the Middle East is still booming.

Roads, harbors, industrial plant and housing still have to be built.

Nevertheless, the changing economic scene and the growing sophistication of clients have had their effects. Quality is now reckoned more important than quantity and speed, and more attention is given to cost effectiveness. There is also more supervision at the planning stage. Local involvement has expanded, particularly in the field of supplies of materials and equipment. Nationalization of supplies, joint ventures, transfer of technology and, above all, the availability in the area of an ever-widening range of materials in general relieves the contractor of some previous headaches.

The continuing boom is most evident in Saudi Arabia, the United Arab Emirates and Iraq. As a measure of Saudi construction, it is worth noting that cement consumption there is around 17 million metric tons (18.7 million short tons) a year, and, for example, a 3,000 cubic meter (3,900 cubic yard) building uses about a thousand metric tons. Iraq thrives paradoxically because of its war with Iran, thanks to the huge sums of money sent in aid by Gulf countries. Construction continues apace in the United Arab Emirates, especially Abu Dhabi, partly because of infrastructure projects, partly because there is still enough money in the kitty for prestige projects.

Of the materials used for the industry, cement is the most prominent and one of the best established industries in the Middle East. Saudi Arabia and the UAE plan to be self-sufficient by the mid-1980s. Other countries are constantly increasing production, many with West German or British equipment.

Imported cement comes from Europe, India and the Kenyan cement works at Bamburi, often by way of floating silos, as at Aqaba in Jordan and near Muscat in Oman, which can offload either into bulk carriers or into bagging apparatus. None of the Gulf cement is sulphate-resistant, an essential for foundations in the area because of the high salt content of the soil, and specially treated cement still has to be imported, either ready for use or in aggregate form.

Ras al-Khaima, an emirate of the UAE, is hoping to corner the Gulf market for white cement, used for decorative finishes, with a plant to be completed in 1984 producing 300,000 tons a year. Only this relatively impoverished emirate has the right quality of limestone. Local rock is also being used in Fujaira, another of the emirates, in two small plants producing rock wool and ceramics, mainly for the local and Omani markets.

Steel is imported in different stages of preparation, generally now by local suppliers, either nationalized, as in Iraq, Syria, Egypt and Libya, or private, as in Saudi Arabia, the UAE and Jordan. The source depends to some extent on which developed country, if any, dominates the consultancy market and writes out the specifications of a given contract.

Japanese steel has become more and more popular; there is plenty of it. It is cheap and the quality is good. U.S. steel is not much seen; British steel predominates in the UAE and Oman and also in specialized fields. A British company, H.H. Robertson, has done well exporting architectural steel to the Middle East. South Korea is also investigating the market.

Some of the Japanese steel is sold through joint ventures, as are many other construction materials. This is one of the results of national pressure to "localize" control of the country's development. But it is not only politics that makes the joint venture attractive: customers are also glad to avoid import headaches by buying locally. The Japanese have set up several steel ventures, in particular in Egypt and Saudi Arabia, where they are manufacturing pipes from Japanese feedstock. The Danish firm of Hempel has a joint venture in Qatar to manufacture paint. Britain's ICI has a similar arrangement with a Jordanian company to manufacture emulsion and alkyd resins for the Middle East.

A different sort of example of foreign enterprise setting up with an eye to local acceptability is the French ceramics company Ceric, which establishes brick works in Egypt using sophisticated technology to make its products from desert clay instead of riverside clay, which, since the High Dam was completed, is no longer being replenished by the annual Nile flood.

Vehicle assembly plants are another kind of joint venture, though generally for smaller units. The Middle East appetite for vehicles is as voracious as ever, and most countries in the area have such plants. Fiat is building a plant with the Libyans near Tripoli to assemble 10,000 vehicles a year, mainly for domestic use. Fiat is also breaking into the Iraqi and Saudi markets, though not yet to the point of assembly plants.

In most parts of the area heavy transport vehicles are imported through private or government agencies. Sometimes, as in the Gulf, this is compulsory as a means of spreading the spin-off from oil wealth. Gone are the days when contractors imported their own vehicles and most are thankful to be free of the burden, which included the nightmarish business of providing certificates of origin for all spare parts.

Caterpillar of the United States is still way ahead for really large equipment, bulk movers especially, and has the best reputation for service and spare parts. Its nearest rival is the Japanese Komatsu, seen as better for smaller equipment, and the West German Daimler-Benz, which is strengthening its position in Iraq by setting up training schools for mechanics. A criticism of U.S. vehicles has been that they are sometimes too complicated for the inexperienced mechanic.

Exceptions to this general rule are made for specific projects. Mack Trucks Australia, for instance, has built two cab and chassis units for a particular road construction job in North Yemen, and there is a tender out for six heavy-load transport vehicles to haul petrochemicals modules to the new Saudi port of Jubail.

There is still an awful lot of the Middle East that cannot yet be reached by road, let alone by any sort of bulk carrier, and roads play a large part in development plans. Iraq is particularly vulnerable; because of the war, most of its imports come by land and trucks have exacted a costly toll from roads and bridges. Special cement sometimes has to be imported for road construction, as well as bitumen, which is supplied through local agents, sometimes in joint ventures with oil majors. Supplies come from as far away as Singapore and Curaçao, though there are bitumen refineries in Jordan and Bahrain.

Transporting bitumen remains a problem. Contractors who have been in a country a long time sometimes have their own bitumen heaters on site. Others, where the supply can be depended upon, plan their progress to fit in with the regular arrival of trucks, some of which may be insulated, others incorporating their own heaters. MEDP Corp. of Switzerland is among those building bodies for such trucks. Elsewhere, as with the military airfields in Oman, for instance, at Khassab in the Musandam Peninsular, the bitumen is transported in barrels by barge and has to be blended on site.

Over the last 10 years public and private clients in the Middle East have learned about quality the hard way. The reason Gulf sheikhs build themselves so many palaces, it is said, is because they reckon the lifetime of each is so short. Already in Abu Dhabi they are knocking down multistory blocks, with the greatest of ease, that are sometimes no more than five years old.

Land is more expensive now, and so are building costs. More research has been done into the climatic problems of the area, for steel and concrete especially. Corrosion along the flat salt marsh shores of the Gulf is some of the worst in the world. Thermal movement from expansion and retraction in the wide-ranging temperatures of the desert has led to modified specifications for steel and concrete. Local involvement is greater at all stages of a project and technicians from all over the world with an enormous variety of experience of a wide range of materials are working in local concerns. Everyone wants to sell to the Middle East.

Recession is as topical here as elsewhere. But its effects are more muted and many oil governments are relieved at the slower tempo of development, finding it easier in the present mood to assess the lasting value of a project. There is still plenty of scope for suppliers of materials and equipment, but they would be well advised to check the worthiness of projects on hand before too heavy a commitment. Always take a local representative with you and watch out for competitors.

—SARAH SEARIGHT

Chris Kutschera

INFRASTRUCTURAL WORK — In Sana'a, North Yemen, workers dig a trench for water pipes. The Arab world continues to be a source of construction contracts as its governments push to develop vital national infrastructures.

CONSTRUCTION IN THE ARAB WORLD

OMAN — Dhofar's major new port at Raysut, near Salalah, is an example of Oman's commitment to modernization.

Gulf's Small Contractors See Hope For New Markets in Regional Unity

By Ken Whittingham

THE FIRST day of December will mark an important stage for the development of the private sector in the Gulf Cooperation Council member states. On that day the first phase of the council's unified economic agreement becomes effective.

The first stage principally involves the exemption from duties of nationally produced goods in member states when entering other member states. Port charges and other obstacles to transiting and import or export of local goods will be abolished in favor of member states.

An additional area of importance is the ownership of private sector companies. From Dec. 1, any council member may set up a business in any other member state, provided initially that he is in partnership with a local of that state. Over a five-year transition period the distinction will be phased out so that any member may set up his own business anywhere in the cooperation council region.

More important for the construction industry, Abdullah Quiwaiz, the council's assistant secretary-general for economic affairs, has said that from Dec. 1 nationally owned construction and contracting companies will be treated as local rather than foreign companies when bidding for contracts in council states. This will be good news, for example, for the estimated 600 contracting companies in the tiny state of Qatar, who have had difficulty entering the huge markets in the United Arab Emirates and Saudi Arabia, according to more than one manager.

Ever since the oil companies moved into the Gulf in the 1930s, construction has been second only to trade as an economic activity for well established local companies. As governments in the 1960s and 1970s began to pour investment into infrastructural development, so the local construction sector mushroomed. Saudi Arabia, with its network of highways and with development and construction programs in most villages over the past decade, had provided a wealth of work for local contractors now thought to number more than 5,000.

Life is no easier, however, for local contractors than for the international companies whose market they have squeezed. Consider some of the following major problems put forward by general managers throughout the region:

The number of local companies entering the construction market is growing almost weekly. The number of major contracts within the competence of local contractors is decreasing in many of the countries involved, as basic urban development nears completion.

On small contracts, house building and similar projects, a small new company inevitably has less overhead than a major company geared up to compete on an international basis for longer-term ventures. This problem is particularly exacerbated by the labor situation in the Gulf.

Now that the six Gulf Cooperation Council states have largely coordinated their immigration procedures, there is no pool of available manpower in the Gulf states. In the Gulf, regulations require that immigrant workers, the only source of construction labor, must be employed by a sponsor, whatever their skills or nationality. Sponsorship cannot be exchanged except under extraordinary circumstances. It can take as much as six months to recruit labor, obtain the necessary visa and permits and finally get the man on site. The work force must be provided with accommodation as well as transport to and from work.

To this must be added the high cost of Western executives. Many, though by no means all, Gulf construction companies have Western or Lebanese management and experts. The real cost of employing such executives is well over $100,000 a year.

The local contractor may have to import equipment not available in the region. He may find himself paying a higher price than the international company with its better supply network.

While competing with foreign companies, especially from the Far East, the local contractor with high overhead finds himself against a giant contractor who in some cases is not only subsidized by the foreign government concerned but is also offering to import his work force, complete the job, and take away the work force. It is well known among construction workers in the region that Korean workers in particular are required to work longer hours for less remuneration than workers employed by the domestic private sector.

Whereas the foreign contractor has invariably spread his economic risk over a wide geographical area, as well as maintaining a presence in his home market, the local Gulf contractor has as yet little chance of moving into new markets, though some of the bigger companies, like Bin Ladin and Saudi Oger, are poised to do so.

The result is that whereas in the heady days of the middle to late 1970s local contractors could make big profits from house-building contracts for oil companies and other small-scale operations, they are now forced to bid at prices that may bring a 10-percent profit if everything works exactly to plan, and which may involve losses if problems arise. In other words, the requirement to keep the company turning over has become as important for local contractors as for foreign companies.

The tight competition is not only driving down prices, it is also allowing a rapid increase in standards. Government specifications for building standards, whether for roads, housing or industrial projects, are slowly being unified throughout the cooperative council region, and it is apparent to the most casual observer that design, construction and finishing is of a much higher standard than five years ago.

The fact that so many companies, foreign and domestic, bid for even small contracts means that clients can require and obtain contractors with appropriate qualifications and experience. For this reason, many of the bigger domestic contractors have either formed joint ventures with international companies or have worked out systems of technical cooperation.

Another constraint beginning to force smaller companies out of the market is that governments and banks are more cautious about providing financial assistance than they were a few years ago. Abu Dhabi Chamber of Commerce recently proposed that all contracting companies working in the United Arab Emirates should have a minimum paid-up capital of 250,000 dirhams. Similar regulations are likely elsewhere, and it is significant to note that the call comes from the private sector and not from the government.

Problems abound for the local contractor, but the prospects still look bright for those with the financial and technical ability to operate at international standard. Road-building and housing, which, except for certain extremely difficult technical projects, have now been awarded throughout the region by preference to domestic companies, will provide a greater level of work in the next few years. The GCC is studying a plan for a highway network linking all the member states. The project, which is almost certain to be approved, will involve a number of lucrative contracts in each of the six member countries — Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar and Oman.

In addition, every state in the region is now looking to the social environment. Qatar, the United Arab Emirates, Oman and Saudi Arabia have all announced major low-cost government housing projects. Other works in the pipeline include a great deal of urban improvement through parks, recreational facilities, sea promenades and other construction works that present no difficulties to local contractors.

So for local contractors, as for their international competitors, the signs are clear. The Gulf is once again a booming construction market, but without the pots of gold that accompanied completion in earlier years.

Quality Gives Small Nations Edge in Bidding

THROUGH specialization and high-quality products, small countries are still capable of competing successfully for major construction projects in the Middle East.

A case in point is Finland, which currently has about $500 million worth of contracts, half in Iraq and most of the remainder in Libya and Egypt.

If there is any one major drawback, it is in collecting payment, which can be particularly hard on smaller countries, whose invisible export earnings can sometimes depend substantially on overseas contracting. Because of their smaller corporate structures, the Nordic construction companies, many of which have had long associations in the Middle East, particularly in Iraq, have difficulty in bearing the financial burdens caused by delays or even nonpayment.

Recently Finnish and Swedish contractors for the most part completed the $240-million Baghdad Conference Palace, now a spectacular white elephant since the conference for which it was specifically designed and built, the nonaligned nations summit in September, was canceled after objections from Iraq and plans were made to move it to another venue.

In addition to the palace itself, supporting residential and leisure complexes worth another $200 million have also been completed, principally by Finnish and Swedish contractors. Because of contractual delays and, according to some experts, contractural procedure problems, a long drawn-out wrangle is in progress over compensatory payments by the Iraqis, which has led to government-level talks.

The main contractor for the palace was the IRCO group of four Finnish companies. About 20 main subcontractors and 1,700 workers from 22 countries have been involved in the work. Most are reluctant to air their views publicly or even to admit there are any major problems. However, Timo Myllys, of the Association of General Contractors of Finland, said there had been payment problems and "the results have not been too satisfying." Martti Saramaa, of Polar-rakennusosakeyhtio, which is part of the IRCO group, agreed and said his company has been discussing the possibility of oil substitution as part payment.

Offering oil instead of cash on a kind of barter basis is something that the Libyans have also been suggesting to contractors, mainly the smaller ones from some of the non-oil-producing European countries. But, as Mr. Myllys explained, it creates problems: "You have to decide on how to fix the price; should it be based on the OPEC or Rotterdam spot price? So far we have not concluded any such agreement."

Kauko Rastas, president of Polar, said that apart from the political factors, specialization in high-technology construction and civil engineering techniques has enabled Finnish companies to do well. In spite of the current difficulties, he believes there will still be opportunities for them in the future.

Heikky Koivu, of Perusyhtyma, which has been in a joint venture with another Finnish company, Vesto, building the $135-million public recreational complex in Baghdad, feels confident about the Middle East as well. He said: "Our problems in Libya, for instance, are nothing compared to those that we are having in Nigeria. The Iraqis see us as a small country that only has economic objectives, and this is very important. We still see quite a good future in places like Libya and Iraq. We feel that we can still offer our services without any problems on our side."

He added a cautionary note that if the political and other problems of the whole area of the Middle East were taken into account it might be advisable to look out for construction opportunities in other parts of the world.

Many of the Finnish companies depend on Arab countries for at least 50 percent of their business. One of the oldest established companies with links in Iraq going back to the mid-1950s is YIT. This company, together with Vesi-Pekka, has been building the "Baghdad Island" leisure project, worth just under $100 million. This is a 70-hectare (173-acre) complex with two luxury hotels, an artificial lake, tennis and squash courts, swimming pools and a soccer field.

Although some of his fellow competitors may be more cautious about the future, Kullervo Matikainen, president of YIT, does not think business in the Middle East is drying up. He said: "Competition is becoming much tighter but there are not so many places in the world where foreign contractors are needed and the customer is prepared to pay cash. But there is now much more local competition, particularly in Saudi Arabia, where the government seems to be subsidizing local contractors. This means we have to be even more competitive and concentrate on high technology areas like water treatment and sewerage schemes."

Mr. Matikainen also believes that in the long run the foreign companies will have to join forces with local contractors. He said he did not believe this would be a bad thing, even if the local company has the majority shareholding, provided the national partner is able to contribute local marketing expertise and deal with bureaucratic administrative problems.

—MICHAEL FRENCHMAN

The conference palace at Baghdad, built by Polar-rakennusosakeyhtio of Helsinki.

CONSTRUCTION IN THE ARAB WORLD

Harsh Competition for Contracts Seen

THERE IS still no better area in the world for construction companies to earn hard currency than the Arab Gulf states and especially Saudi Arabia. But while the dollars are available for final payments, the biggest headache facing international contractors is to win the contracts in the first place. Competition is fierce and the signs are that it will be even tougher in the coming year.

In 1981 Saudi Arabia, which with its $300-billion five-year plan remains the biggest source of new contracts, issued new work worth around $25 billion. Spending on major developments will continue, but Commerce Undersecretary Abdul Rahman al-Zamil recently sounded a warning. He told the Jeddah-based Saudi Gazette that spending will be down in 1983 and that there would be "an accelerated trend toward Saudiization of the economy to compensate Saudi companies for the actual decline in contracts to be let this year."

He said there would be less business for foreign contractors and that those winning contracts would be required to buy materials and equipment through Saudi agents. With more than 5,000 construction sector companies registered with the ministry, it is hardly surprising the competition is tightening up.

Saudi Arabia is not unique; it is simply a greatly magnified version of what is taking place throughout the Gulf. Experienced company representatives and managers are noting that the construction market throughout the Gulf Cooperation Council area is more soundly based than ever before. Oil and gas finds in Sharjah have reawakened a major surge of development in the Northern Emirates of the United Arab Emirates, although Abu Dhabi has said no new projects will be started next year.

The decline in oil revenues because of falling markets has inevitably affected the economies of the Gulf states. In real terms, however, the damage has not been as great as it has seemed. Small apparent budget deficits in Kuwait and the United Arab Emirates follow years of massive surplus, and in any case the absence of complete budget figures for most of the Gulf states render access to true total revenue figures difficult.

The glut in the oil markets and consequent cuts in production gave Gulf governments a perfect opportunity to clamp down further on domestic inflation and excessive reliance on the state sector. The bonanza days of 1977 when foreign companies reaped massive profits from inflated contracts are long gone. Gulf governments have learned the value of planning and control and are eager to obtain value for money. Moreover, the tightening of the oil market has convinced Gulf rulers of the need to give an urgent boost to the private sector so that private money stays within the regional economy rather than taking flight into dollar investment.

If the economic situation in the Gulf has allowed the Gulf states to increase a long established drive toward rationalization, the recession in the rest of the world has turned the construction sector into a buyer's market. Consequently, companies from every part of the world from Latin America to the Far East are looking for work at any price, often below real costs, in order to maintain work capacity and stay in business.

Just how important the Middle East and especially the Gulf market is can be seen from the fact that 37 U.S. companies won $12.8 billion of new construction business in 1982, while construction management contracts for 1981 at $16.1 billion were 25 percent up in 1980. These figures make the Middle East the United States' biggest foreign construction market. The giant U.S. engineering and consulting firm Bechtel won 12 percent of a total turnover of $11.6 billion from the Middle East in 1981. Bechtel is consultant on the new Jubail City and Riyadh airport, two of the biggest projects running in Saudi Arabia, in addition to many other ventures in the region.

The Americans are basically gloomy about the market despite the figures and see the future prospects more in terms of consulting and management than in actual construction contracts. U.S. companies and to a large extent West European companies simply cannot compete on price against the competition from the Far East and especially Japan and South Korea. A recent report by the Organization of Arab Petroleum Exporting Countries put the cost of an executive or technical expert working in the Gulf at $200,000 a year.

Western companies complain that their Far Eastern competitors bid for tenders at less than real-cost prices with backing and subsidies from government. The charge is frequently leveled at Korean companies, who with 19 percent of new business took the biggest slice of the market in Saudi Arabia last year. West Germany was second, with Japan third.

Since money supply became tighter in the Gulf, the mobilization payments offered have reduced and Saudi Arabia will now only provide a 10-percent advance payment. Far Eastern companies are believed to receive help from their government in this respect and also have much lower labor costs.

An indication of the level of government backing is the tour of the Gulf by South Korea's building minister, Kim Chong-Ho, planned for the end of 1982. The sole purpose of the trip is apparently to convince Gulf governments that his government will provide full guarantees for South Korean contracting companies.

For companies from countries with no traditional foothold in the Gulf construction market, political or financial clout or government initiative is perhaps the only way in. East European countries like Romania and Bulgaria are winning contracts in Syria and are seeking to enter the Gulf market through relations with Kuwait. Sheikh Jaber al-Ahmad al-Sabah, the ruler of Kuwait, has already suggested to other Gulf Cooperation Council leaders that they should at least consider the benefits of links with certain East European countries.

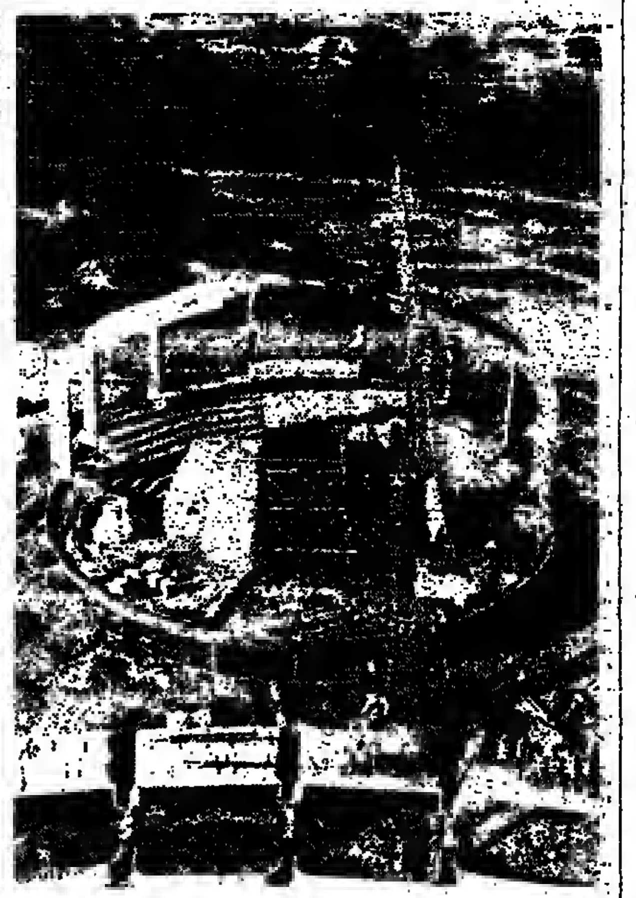
A Brazilian company, Construtora Mendes Junior, on the other hand, with no great political or financial backing, could not beat Korean companies in bids for railroad projects in Iraq and so has simply joined the opposition by forming a consortium with Hyundai Engineering and Construction Company to bid for the first phases of the Baghdad-Basra railroad project, according to the Middle East Economic Digest.

Increased international competition for contracts, combined with a close watch on expenditure by Gulf governments, has produced a reverse of the spiraling prices between 1975 and 1978. An additional downward pressure on prices has been the rapid entry of domestic construction companies into the field throughout the Gulf states. Whereas five years ago there were few Gulf-owned contracting companies capable of taking on major contracts, there are now a large number of sophisticated companies, often associated with foreign companies who provide technical backup, tendering for all but the most specialized contracts.

In addition, there is a growing number of international companies who have entered into partnerships with local concerns or come into Gulf ownership. Yahya-Costain has been doing well in Oman, and in Saudi Arabia Saudi Oger, Saudi Bechtel and Ballast Needham all have an edge in the market because of their direct local connections.

With the determined commitment on the part of Gulf governments to develop the local economy, this trend of major companies becoming localized is likely to continue.

—KEN WHITTINGHAM



Wide spaces surround the low-profile buildings at 550-bed Mafraq Hospital, above left. The U.K. firm of Sir Alexander Gibb & Partners were consultants. YIT Ltd, contractors, are building a 720-seat amphitheater, right, on Baghdad Island.

Consulting Engineers Report Rapid Evolution of Profession

CONSULTANCY WORK in the Middle East, as elsewhere, is in a state of evolution, offering a bewildering choice of candidates.

Traditionally, a consulting engineer on the British, and to some extent West European, pattern is employed to supervise a project from start to finish for a high but fixed fee, which is never increased. An atmosphere of complete trust, crucial to the success of a project, consulting engineers claim, is built up between the client and the consultant, who monitors cost control, quality and safety.

Consulting engineers claim that only they have the full range of abilities to carry out the task satisfactorily. For this reason they stand apart from others involved in any construction project.

The consulting engineer draws up a feasibility study in conjunction with his client and then moves on to a detailed survey and contract design before putting the work out to tender. He then works out detailed designs, and the contractor carries out the work under the watchful eye of the consultant.

The rich spoils in the Middle East, particularly during the 1970s, attracted unscrupulous operators in most fields, and consulting engineers were not exempt. A few sagging floors in princely palaces have done untold damage. The result has been a breakdown of traditional confidence and trust, which has contributed to shifts in the pattern of working.

In many Arab countries, technical decisions still tend to be made by expatriates. A major difficulty has tended to be adjusting the fee to the service, because Arab clients tend to look on consultants in the same way as contractors, who have a much more clearly defined role.

The appeal of turnkey projects in these circumstances is evident. A package concept is quicker in many clients' eyes and less bother. Under the traditional system, a client may well have to work harder with a consultant and may not wish to.

Many Arab clients are hedging their bets by splitting up consultancy work, allotting the tender documents, feasibility studies and supervision to separate groups of people, a trend that some international aid agencies, including the World Bank, have adopted for political reasons, to spread work more evenly. They may still employ consulting engineers, but the operation is put in the charge of a project manager.

Consulting engineers have understandably become defensive about their role, and FIDC, their international federation, is increasingly concerned about the erosion of fiduciary care, which one expatriate architect working extensively in the Middle East claimed is vital as an environmental safeguard in the long term.

They have no objections to project managers if they are also consultant engineers, which many are, although they claim that it entails introducing a new, unnecessarily costly, tier of control, and is therefore inefficient. When a project manager prepares a specification, he puts out the project to perhaps 10 contractors, so the argument runs, who each produce a set of designs, and this is wasteful.

Who, then, should be captain of the team? Perhaps 20 to 30 innovative variations have been tried in recent times, including consulting architects and quantity surveyors. With such an important job up for grabs, the controversy was bound to be heated.

A few months ago Owen Luder, president of Britain's Royal Institute of British Architects, asserted: "We are the only profession able to offer complete involvement from start to finish. In less than a decade from now I predict that it will be an architect in the main who will be controlling construction from within the industry." He went on to attack quantity surveyors and, more especially, project managers, many of whom "have little if any qualification for doing so. Too often it is becoming little more than a con trick on clients."

Some consulting engineers have criticized the use of a project management operation in building the industrial city of Jubail, Saudi Arabia, one of the biggest construction projects in the Middle East. It could have been done more cheaply using a traditional consulting engineer, a consulting engineer claimed, or at least a consortium of consulting engineers, another said.

"Impossible," said a spokesman for Bechtel, the U.S.-based construction giant that was awarded the management contract for Jubail. In such a huge operation only a multidisciplinary operation could have coped, a spokesman said. But Bechtel, with a turnover of around $11 billion, is one of only a handful of companies worldwide capable of taking on such a task single-handedly.

Bechtel regards project management as a legitimate career in its own right. A project manager in its organization is promoted from a team comprising an engineering manager, a construction manager, a process manager, specializing in chemical engineering, a commercial manager working under the construction manager, a technical services manager, who deals with cost controls and schedules, and a procurement manager, a crucial task because many materials are not available locally and their long-term availability must be built into working schedules.

Consultants, the Bechtel spokesman suggested, should limit their areas of expertise. Consulting engineers, he said, are strongest on technical advice but weaker when estimating. The British system, he said, is more, not less, expensive in inflationary times, because a consulting engineer has no initial brief to order materials and normally takes many months more than a project manager, who can start ordering long-term equipment at the same time as working on the basic design.

Cutthroat competition in the Middle East, increased by a new generation of local firms, is causing some foreign consultants to pull out, because they cannot provide a professional service for the fees being imposed on them. Sir William Halcrow and Partners, the London-based international consulting engineers, complain that the thinking and innovating periods are being axed from Middle East projects because no one wants to pay for them and more decisions are now made on the spot. Arup Associates, a comparable competing firm, fear that less scrupulous consultants may pass some of their work on to contractors, a corner-cutting move that could be highly dangerous.

Now that most of the big projects are complete, companies like Bechtel are losing their advantage and meeting fierce competition from smaller companies. Even if they are not forced out of projects, "selling for bare salaries may be all you can look for these days," their spokesman said.

—GEOFFREY WESTON

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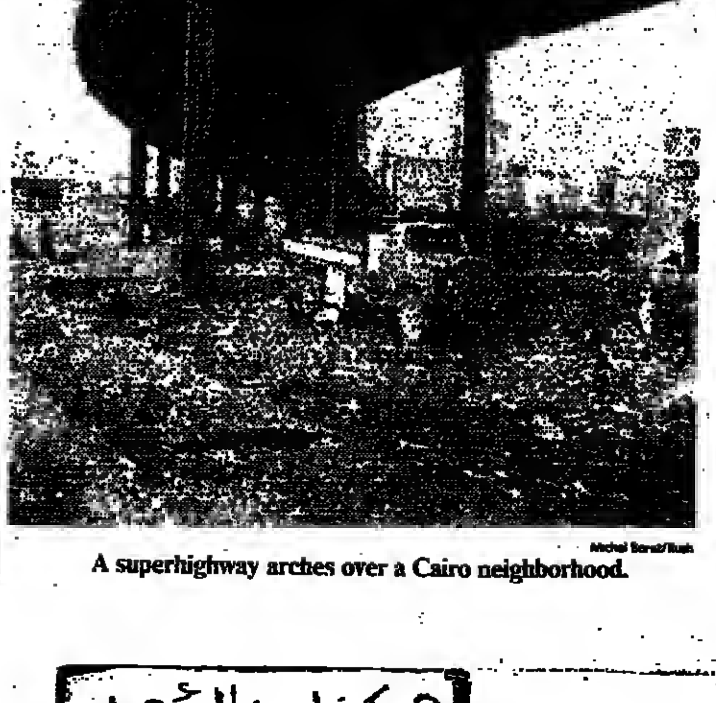


A superhighway arches over a Cairo neighborhood.

Turkey: Inroads

(Continued from Page 9S)

larly, domestic sources of financing are insufficient and prevent Turkish companies from undertaking projects on a credit basis.

Mr. Sahenk added other points: "We still lack experience in working overseas. Furthermore, unlike the Korean government or many Western governments, the Turkish government is still not fully aware of the importance of state help in this business."

The government may start to become more interested next year when the financial gains from the business become more tangible. In 1983, Turkey's earnings from overseas construction contracts are expected to become the third biggest after exports and expatriate workers' remittances. The Association of Construction Contractors of Turkey estimates that these contracts will net the country $1 billion in 1983 and $1.5 billion in 1984.

International Herald Tribune

BUSINESS / FINANCE

THURSDAY, NOVEMBER 25, 1982 **

Statistics Index

WALL STREET WATCH

By EDWARD ROHRBACH

The Names Change, but Advice Stays the Same: Buy on Bad News

"Bet-a-million" Gates, a notorious Chicago speculator, made the point back in the last century when counseling Marshall Field: Smart money avoids deals with a better than 50-50 chance of going through: The risks outweigh the rewards that remain.

It's vintage Windy City hyperbole, the kind that helped build the tallest town in the world, and means any sure thing is already recognized by the market, eliminating the chance for a big killing.

Applied to Wall Street, the advice translates either into buying shares cheap of a young unknown company offering the world a better mousetrap, or nimbly picking up the stock of proven companies when the price is depressed by passing bad news.

Some analysts think that's what is happening now to SmithKline Beckman — and they say smart money should jump into the stock. It's down 25 percent recently, despite the bull market, over fears the pharmaceutical manufacturer's breadwinner product, Tagamet, the biggest-selling drug of all time, faces stiff competition. The threat comes from Glaxo Holding's new ulcer treatment from Britain, Zantac, to be co-marketed in the United States with Hoffman-La Roche.

> **'Wall Street offers *open-ended upside* potential against only limited downside risk'**

"Two curves are crossing and it looks like a classic buying opportunity," said Frederick Greenberg, drug analyst for Goldman Sachs. "SmithKline's price-earnings ratio is now one of the lowest in the group at less than 10 times 1983 profit expectations, compared with about 12 others, while its growth prospects are a healthy 15 percent, against 12 or 13 percent for the rest of the pharmaceuticals."

Merrill Lynch's David Paisley believes the challenge of Zantac, though in some ways "clinically superior" as a drug, is probably overrated, and he advises accumulating SmithKline in light of the "psychological damage" done to the stock. Drexel Burnham also continues put SmithKline among its Priority Selection List, and analyst Richard Vietor says it is "shaping up to be the best performing drug stock of 1983."

Oppenheimer & Co. was the first brokerage house to abandon SmithKline — whose stock has doubled, on average, every year since Tagamet was introduced exactly six years ago this month. The firm's analyst, Ronald Norman, is neutral on the stock, waiting to see "month by month what inroads Zantac makes into Tagamet's sales," which be notes represent two-thirds ($800 million) of SmithKline's total earnings. Yet Mr. Norman still calls the company "extremely attractive."

Paine Webber's David MacCallum is less enthusiastic about the stock, recently downgrading it to "hold" and seeing SmithKline "at the crossroads," with near-term prospects "clouded." What's happening now "might well only be a hiccup," be said, but comes at a time when Tagamet's "growth curve is cooling anyway as the drug matures as a product." Kent Blair of Donaldson Lufkin Jenrette also notes Tagamet's "formidable new competition." He does not recommend purchasing the stock.

Continuing Buoyancy

Hans-Conrad Kessler, chief of investment policy at Basel headquarters of Swiss Bank Corp., sees a continuing downtrend in interest rates, forced by the worldwide recession, keeping Wall Street relatively buoyant in the near term.

But to sustain the stock market rally, he said, "fundamentals" must improve in the United States. While optimistic they will — predicting a 30-percent surge in 1983 corporate profits as the national economy gains momentum through the year — he does not believe the present stock price weakness is the "final correction."

Mr. Kessler said many Swiss and other Europeans outside the United Kingdom, both individuals and institutions, were sellers in the first leg of Wall Street's big rally, taking profits on stocks held for years and cashing in on the dollar's premium to their currencies. On weakness, which be doubts will go to 900 on the Dow Jones average, he thinks many will buy back in. The bank's recommended list includes Standard Oil of California, Standard Oil of Indiana, Union Carbide, Fluor, Raytheon, IBM, Schlumberger, General Motors, Hospital Corp. of America, SmithKline, Phillip Morris, Aetna Life and Pacific Gas & Electric.

"Wall Street offers open-ended upside potential against only limited downside risk," said Jan R. Voute, manager of North American equity investments for the Rotterdam-based Robeco group, the largest mutual fund outside the United States.

Convinced current market action is only a correction that will push the Dow no lower than 920, thus presenting a buying opportunity, Mr. Voute said Robeco group's strategy for its $1.2-billion Wall Street portfolio is twofold: Weed out poor-prospect stocks still remaining sucb as steels and energy issues, and buy into better-potential performers, notably consumer cyclicals sucb as airlines and antos.

Delta was singled out among the former with General Motors preferred in the latter group. Utilities are also being bought, with AT&T and Southern California Edison cited. The third favorite group is semiconductor and component stocks. The top choices are AVX, Tandon and Dysan.

Healthy Situations

A.G. Becker, highly regarded for its research on the hospital management industry, has these favorites in the group: Hospital Corp. of America, American Medical International and Humana. National Medical Enterprises has been another recommendation, but Becker is underwriting a new stock issue for it and under Securities and Exchange Commission rules must suspend its opinion.

The brokerage firm also likes the turnaround potential of Greatwest Hospitals, a small, "innovative" southern California company with only five hospitals.

Among reasons John F. Hindelong, Becker's director of research, thinks the companies will continue to grow at about 25 percent a year are hospitals' recession-resistant character, their ability to pass through higher costs and the fact that once a hospital is established in a community, law largely insulates it from competition.

Merrill Lynch cites hospital management as one of the "few major uptrend groups not yet extended" on a technical basis despite the market's huge rally.

International Herald Tribune

N.Y. Prices Show Gain; Dow Up 9

Compiled by Our Staff From Dispatches

NEW YORK — For the second time in three days, the Dow Jones industrial average closed precisely at the 1,000 level Wednesday.

The Dow average, which fell 9.01 points Tuesday and 41.11 over the previous three sessions, gained back the 9.01 Wednesday to close exactly where it was at Monday's close.

Prior to this session, the Dow bad dropped 74.50 points since reaching an all-time high of 1,065.49 on Nov. 3. It still is more than 200 points above its mid-August low, however.

Analysts said bargin hunters were responsible for much of the buying, taking advantage of the market's declines the past couple of weeks. Also, some traders replaced borrowed shares sold earlier before the market dropped.

A drop in the federal funds rates banks charge one another for overnight loans also triggered some buying. These charges influence other interest rates.

Despite the Dow average gain, analysts said the stock price recovery appeared shallow, with advancing issues outnumbering declines by less than a 3-to-2 margin. Volume was 67.2 million shares, down from 72.9 million Tuesday. The light volume indicated many traders left early for the Thanksgiving boliday. The markets will be closed Thursday, but they will be open Friday.

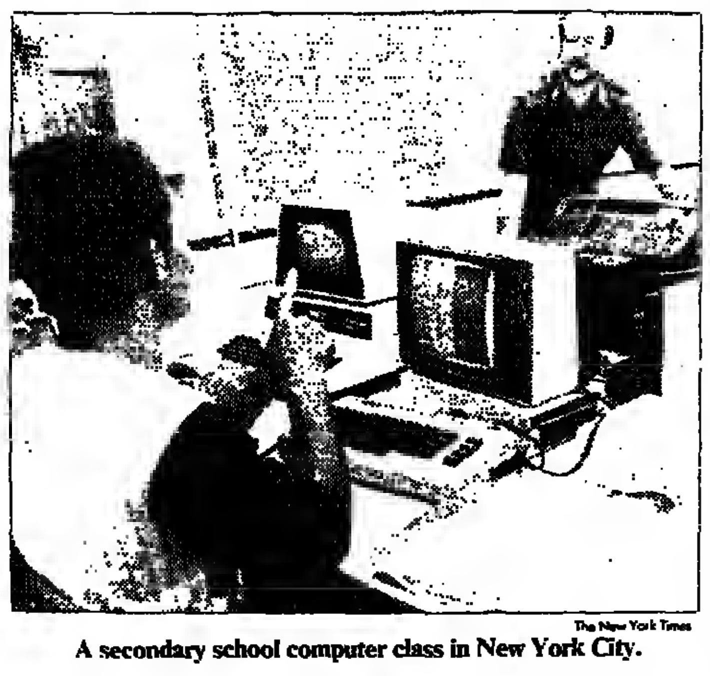
Analysts said economic news, including a sharp rise in U.S. auto sales in mid-November and comments by Federal Reserve Chairman Paul A. Volcker, also seem to have aided Wednesday's stock push.

Auto makers reported that car sales surged 40.2 percent in mid-November, with General Motors' volume up 56.6 percent. GM is offering lower interest rates to new car buyers.

General Motors' stock price gained 2 points to 56¾ in active trading, while Ford rose ⅝ to 30⅞ and Chrysler gained ¼ to 11.

"It shows what can happen when you bring rates down," said Larry Wacbtel of Prudential-Bache Securities.

But Mr. Wachtel said investors must decide wbether the gains are a true sign of economic recovery, or simply induced by bargain basement interest rates.



The New York Times

A secondary school computer class in New York City.

A Small Computer In Every School?

New York Times Service

NEW YORK — The leading U.S. personal computer manufacturers are betting that the fastest route to placing a small computer in every American living room is to first get one through the schoolbouse door.

"The evidence shows that wben you are trained on one computer system, it is easy to get hooked on it," said Benjamin Rosen, a New York analyst who specializes in personal computers.

For that reason, companies like Apple, Tandy, IBM and Warner Communications' Atari unit want students to learn from earliest youth bow to use their equipment and software, or computer instructions, that run it. Eventually, the theory goes, the students or their families are likely to purchase the same computers.

Foremost among the companies riding the crest of what Mr. Rosen calls "a tidal wave of personal computers sweeping the educational establishment" is Apple. The Apple II has already appeared in thousands of classrooms.

Thousands more are likely if the company is successful in obtaining passage of the so-called "Apple bill," federal legislation that would allow companies to write off two times the manufacturing cost of all computer equipment they donate to primary and secondary scbools in one of the next three years.

Two months ago the bill passed the House of Representatives by a 323-62 vote. Another version, with more restrictive write-off provisions that Apple says may jeopardize its giveaway program, passed the Senate Finance Committee before the November recess. The full Senate is expected to take it up before year-end.

While Apple Computer keeps one eye on the legislation, its other is on IBM, which has made huge inroads into the market since it announced its first personal computer in 1981.

At first, the computer giant seemed to eschew the school market, but it has recently begun to place advertisements in education journals urging use of IBM equipment in classrooms from kindergarten to college.

The company announced last Wednesday that accredited schools and colleges could receive "price allowances" of about 22 percent on the basic personal computer system.

Rapid growth in the field is forecast. According to a study last year by Creative Strategies International, an industry analysis group, hardware and software for "computer-aided instruction" produced revenue of

(Continued on Page 19, Col. 3)

Volcker Says Recovery To Be Moderate in '83

Compiled by Our Staff From Dispatches

WASHINGTON — The Federal Reserve Board's chairman, Paul A. Volcker, said Wednesday that a moderate economic recovery will occur during 1983 hut that the rebound does not appear to be under way yet.

Recovery "will be evident through 1983, but at a moderate rate of speed — probably slower than during previous post-recession years," be told the joint congressional economic committee.

"There is a sense of frustration and uncertainty among many," Mr. Volcker said. "But I happen to believe we have come a long way toward laying the base for economic growth and stability. Economic recovery should characterize 1983, and that recovery can mark the beginning of a long period of stable growth."

He warned that huge continuing federal budget deficits "are a major hazard in sustaining recovery," and he urged Congress to do all it can to reduce them.

Concern on Wall Street about the deficits has kept interest rates higher than they normally would be, he said, because analysts fear the government will print more money to cover them and set inflation off again.

He said any attempt to force a looser money supply to get lower

AP

Paul A. Volcker

interest rates risked renewed inflation.

"Too much has been invested in turning the inflationary momentum to lose sight of the necessity of carrying through," Mr. Volcker said.

Some members of Congress are urging the Fed to loosen its monetary policy to allow interest rates to drop into single-digits.

"We do not believe that progress toward lower interest rates should, or for long in practice can, be 'forced' at the expense of excessive credit and money creation," Mr. Volcker said. "To attempt to do so would simply risk the revival of inflationary forces."

He urged "that we have the patience and wisdom to refrain from actions that can only be destructive."

But be added: "Obviously there are obstacles — interest rates are still too high; inflation is down but not out; there are strains in our financial system; we face budget deficits that are far too high; we are tempted to turn inwards or backwards for quick solutions that ultimately cannot work."

Mr. Volcker also told the congressmen that he has "some concern" about a proposal being considered by the administration to move the 10-percent income tax cut now set for July ahead to January in an effort to get economic recovery going. A senior administration official was quoted by the Associated Press as saying Tuesday that President Ronald Reagan was leaning toward asking Congress to speed up the tax cut.

Mr. Volcker told the committee that advancing the tax cut without deficit restraints could make more difficult the Fed's effort to prevent the resurgence of inflation.

Yen and Mark Gain Against Dollar

Compiled by Our Staff From Dispatches

LONDON — The U.S. dollar closed sharply weaker on European foreign exchange markets Wednesday, particularly against the yen and the Deutsche mark.

Dealers said the dollar lost ground against currencies of countries with favorable balance of payments outlooks.

Dollar weakness in Asia and early in the European day was extended by Federal Reserve Board Chairman Paul A. Volcker's testimony to Congress.

Mr. Volcker's statement that be saw a moderate recovery in the U.S. economy next year but no clear signs of recovery yet underlined Tuesday's news of a sharp decline in durable goods orders in the United States.

The dollar closed in London at 2.5265 OM, compared with a close Tuesday of 2.5490 DM, and at 250.40 yen, compared with 257.10.

In New York, the dollar continued its decline against most major currencies except for the Britisb pound. At midday, it was trading at 2.5255 DM.

Dealers said the dollar was suffering as investors slowly moved toward other currencies, notably the yen and the Swiss franc.

In New York, the dollar was trading at 2.1635 Swiss francs, compared with Tuesday closing 2.1885, and at 250.55 yen.

Dealers said the British pound is also suffering from a shift of investment sentiment from the currency amid a belief that British authorities are attempting to spur economic growth through a depreciation of the currency.

The pound, which closed at $1.5955 in London, weakened to $1.5850 in New York, compared with Tuesday's close of $1.5960. It dropped below 4 DM in U.S. trading after closing in London at 4.0377 DM, and dealers said the Bank of England appeared to have supported the currency intermittently in morning trading.

Dealers said there were no new factors in sterling trading, but that the pound shared in the dollar's weakness against other major units.

A statement by the chancellor of the exchequer, Geoffrey Howe, that Britain had no target rate for sterling reaffirmed earlier remarks he has made on the subject, dealers said.

Sir Geoffrey said exchange rates worldwide are set by market forces, and that while the government is not beedless of the exchange rate, it is just one of the factors involved in determining policy.

Frenchman to Oversee Talks on IDA Funding

By Hobart Rowen

Washington Post Service

WASHINGTON — André de Lattre, former deputy governor of the Bank of France, has been named by World Bank President A.W. Clausen to a new full-time post as the bank's special representative to oversee negotiations on the new round of funding for the International Development Association.

The IDA is the World Bank's subsidized loan affiliate for the poorest member nations. It makes 50-year loans carrying no interest and only a small service fee but is running short of money, primarily because of redneed contribntions by the United States.

The appointment of Mr. de Lattre, effective Jan. 1, symbolizes the importance the bank attaches to restocking IDA funds for the period beginning July 1, 1984. Officials anticipate that the negotiations, at a time of continuing world recession, will be exceedingly delicate, and must be conducted at the highest political level by someone able to devote full time to the problem.

Mr. de Lattre will report to Moeen Qureshi, World Bank senior vice president for finance, who has been leading the IDA deputies' technical sessions until now. Well known in European and American banking circles, Mr. de Lattre is expected to meet with U.S. Treasury Secretary Donald T. Regan and other donor-country finance ministers, as well as leading the deputies' sessions.

After a deputies' session here last week, the first of a series dealing with the replenishing, Mr. Qureshi said the talks bad been "most positive." The banks's bope is to complete the negotiations by the time of the late fall 1983 annual meeting of the bank and IMF in Washington.

Mr. Qureshi issued a statement saying that every delegation, including the United States, had stressed the firm commitment of their governments to a strong IDA "as the major multilateral institution providing concessional assistance to the very poorest nations."

But at this past week's meeting, the deputies avoided serious discussion of the size of the replenisbing. Mr. Clausen had indicated at the Toronto annual meeting last September that a reasonable figure might be $18 billion, up from the $12 billion originally scheduled for the previous replenishing.

The total figure — and the burden sharing among nations — will be among the delicate problems for Mr. de Lattre to negotiate. Many countries think Mr. Clausen will be lucky if the replenishing stays even at $12 billion.

CURRENCY RATES

Interbank exchange rates for Nov. 24, excluding bank service charges.

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	D.K.
Amsterdam	2.777	4.424	108.53 *	38.76 *	0.1903	—	5.613 *	127.33 *	31.30 *
Brussels (a)	49.40	78.87	19.52	6.9025	3.387 *	17.822	—	22.685	5.575
Frankfurt	2.5277	4.0395	—	35.36 *	1.734 x	91.18 *	5.117 *	116.56 *	28.53 *
London (b)	1.5995	—	4.0393	11.4168	2,328.79	4.4233	78.895	3.4633	14.1487
Milan	1,461.55	2,328.80	576.51	203.89	—	526.55	29.527	669.43	164.40
New York	—	1.5855	0.3966	0.1402	0.069 *	0.3617	0.0203	0.4624	0.1131
Paris	7.1655	11.43	282.71 *	—	4.905 x	258.08 *	14.4865 *	328.50 *	80.73 *
Zurich	2.1677	3.4643	85.73 *	30.315 *	0.1485	78.165 *	4.3876 *	—	24.475 *
1 ECU	0.9175	0.5749	2.3251	6.5733	1,340.54	2.5471	45.3956	2.0016	0.1432
1 SDR	1.07249	0.67275	2.7193	7.6849	1,567.44	2.9703	53.8748	2.341	9.5146

Dollar Values

$ Equiv.	Currency	Per U.S.$	$ Equiv.	Currency	Per U.S.$	$ Equiv.	Currency	Per U.S.$
0.9472	Australian $	1.0558	0.0318	Israeli shekel	31.495	0.453	Singapore $	2.2076
0.0563	Austrian schilling	17.765	0.004	Japanese yen	251.80	0.8923	S. African rand	1.1208
0.0197	Belgian fin. franc	50.85	3.4177	Kuwaiti dinar	0.2926	0.0014	S. Korean won	746.65
0.8158	Canadian $	1.2258	0.4228	Malay. ringgit	2.3655	0.0084	Spanish peseta	119.225
0.113	Danish krone	8.855	0.1394	Norw. krone	7.1745	0.133	Swedish krona	7.5185
0.1814	Finnish mark	5.5125	0.1055	Phil. peso	9.4787	0.0247	Taiwan $	40.58
0.0139	Greek drachma	72.15	0.011	Port. escudo	91.633	0.0449	Thai baht	22.2718
0.15	Hong Kong $	6.6675	0.2906	Saudi riyal	3.4414	0.2723	U.A.E. dirham	3.4729
1.3325	Irish £	0.7505						

£ Sterling: 1.1925 Irish £.

(a) Commercial franc. (b) Amounts needed to buy one pound. (*) Units of 100. (x) Units of 1,000.

U.S. Retailers Anxious About Holiday Season

By Isadore Barmash

New York Times Service

NEW YORK — Unemployment and the stagnant economy are weighing heavily on the minds of U.S. retailers as they approach the Christmas shopping season, which begins Friday. Some expect sales to rise by 5 to 10 percent from last year's figures, but others say it will be quite a feat to equal the 1981 level.

The 10.4-percent unemployment rate — the highest since the Depression — is the big hurdle, retailers across the country say. The jobless are not likely to be big buyers, of course. But in many areas where unemployment is less severe, shoppers are delaying purchases because they are concerned about their own futures, retailers say.

Some executives who head major department store chains, such as R.H. Macy & Co. of New York, Jordan Marsh of Boston, and the Broadway Stores of Los Angeles, say they are encouraged by recent sales improvements. In Chicago, Edward J. Brennan, chairman of Sears, Roebuck's merchandising group, observed: "Business in the last four weeks has been better than it has for the entire year. Not explosive, but we are encouraged."

But in Houston, Foley's, the city's largest retailer, expects "a very difficult season," said Lasker M. Meyer, chairman of the 13-unit department store chain. Houston's jobless rate is 8 percent, compared with 3.9 percent a year ago, he noted. The two devaluations of the Mexican peso have hurt Houston stores as have layoffs in the local steel and oil equipment industry, Mr. Meyer said, adding, "It will be tough to make last year's figures."

Retailers said that promotional wars, in which prices were slashed to lure shoppers during the year, were expected to be a dominant characteristic of the boliday period. Because the 29-day season is so strategic — it could give merchants as much as 25 percent of their annual sales and up to 50 percent of their profit — promotions are likely to be intensified. Profits will be hurt as a result, retailers noted.

Despite the difficult economy, retailers will be helped by lower price increases of typical department store merchandise. This year, prices will be 3.7 percent higher than last year, compared with a 5.7-percent rise in the 1981 season.

This means that stores, receiving lower price increases from their suppliers, will oot bave to produce Christmas sales gains as high as those of last year to yield a profit. But the qnestion facing retailers is how much of a sales gain can they achieve this season, which has already been prematurely started by more than a few anxious retailers.

While lower inflation may be a help, the strong dollar is a deterrent. In cities sucb as New York and San Francisco, the decline in foreign tourism has burt business.

Market Summary, Nov. 24

Dow Jones Averages

Standard & Poors Index

Odd-Lot Trading in N.Y.

Market Diaries

AMEX Stock Index

AMEX Most Actives

Dow Jones Bond Averages

NYSE Index

NYSE Most Actives

[illegible]

Wednesday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

Canada Forestry Faces Hard Times

Reuters

VANCOUVER, British Columbia — Canada's forestry industry is facing hard times and feeling that its future is threatened by protectionism in the United States and currency devaluations in Scandinavia.

Dick Bryan, spokesman for the Council of Forest Industries, estimated that losses could top $250 million in 1982. "This is going to be a disastrous year," he said. "All sectors are in trouble."

Forestry, Canada's main export industry, is crucial to the country's trade-oriented economy.

At least 20 percent of British Columbia's 100,000 logworkers are laid off as the wood business contracts. They are praying for an upturn in the U.S. housing market. The United States takes 60 perceot of Canada's wood exports but U.S. lumber companies want to put tariff surcharges on imports from Canada.

Mr. Bryan said that the proposed duties, being studied by U.S. trade authorities, "would have a catastrophic effect here."

That is not the only headache the Canadian lumber barons have to contend with. Their Scandinavian rivals in the paper pulp market have acquired a much sharper competitive edge thanks to currency devaluations.

Forestry analyst Ross Hay-Roe ooted: "We've been used to thinking of the Scandinavians as high-cost producers. Now they are low-cost producers because of the big influence of the currency changes and we have just got to live with that."

A spokesman for MacMillan Bloedel, the biggest Canadian forestry company, put it more forcefully: "These devaluations are very disruptive. At a stroke of a pen, you can become competitive."

A market research spokesman for the company, Dewar Cooke, pointed out another problem in a side of the business in which Canada once ruled supreme: newsprint. "Canada used to supply 80 percent of world oewsprint. Now our share is down to about 40 percent and [former] importers like South Africa, New Zealand and Australia are now exporters," Mr. Cooke said.

The forestry industry has taken a hard look at itself, with MacMillan Bloedel, like many others, trimming fat wherever it can and calling on top executives to take home about 25 percent less pay this year.

Mr. Cooke said: "The industry is going to be much leaner as a result of this recession."

With unemployment so high, the loggers' union, the International Woodworkers of America, is running a deficit and union staff members work three weeks on, one week off to cut costs.

"There's a lot of fear among our members," said the union vice president, Bob Blanchard. The traditionally militant union is as angry as the bosses about the proposed U.S. tariff surcharges. "Adversaries bury their differences when they have a common enemy," Mr. Blanchard said.

Mr. Bryan, the spokesman for the Council of Forest Industries, said the U.S. plan, suggested by a group of about 350 companies, would "price the Canadians right out of the market. It would amount to a 65-percent duty on what has traditionally been a free market."

[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. [illegible]

[illegible]

(Continued on Page 20)

BUSINESS BRIEFS

Warner to Get 40% Stake in Hasbro

NEW YORK (Reuters) — Warner Communications said Wednesday that it has agreed in principle to sell certain receivables, inventories and other assets of its Knickerbocker Toy operations to Hasbro Industries in a transaction that would result in Warner owning 40 percent of Hasbro.

Hasbro, which makes games and toys, is to issue to Warner 600,000 shares of common stock, nonvoting preferred stock with $10 million in face value and warrants to purchase 250,000 shares of Hasbro common at $40 apiece. Warner is to purchase up to 500,000 family-held shares of Hasbro.

Warner, a diversified entertainment and media company, had 1981 revenue of $3.237 million.

PSA Halts Negotiations With Braniff

SAN DIEGO (Reuters) — PSA Inc. has broken off joint venture negotiations with Braniff International after Braniff was unable to reach labor agreements with all its unions by the agreed-upon deadline, a PSA spokesman said Wednesday.

The spokesman said that chances of negotiations being revived were unlikely. He said the talks collapsed because Braniff could not obtain concessions from its pilots' union.

Braniff filed for protection from its creditors under Chapter 11 of U.S. bankruptcy laws in May. The PSA plan would have created a Dallas-based airline using PSA's name and substantially all Braniff workers and equipment. Braniff has until Jan. 4 to produce a reorganization plan.

Hambros Cleared in Reksten Affair

OSLO (Reuters) — Hambros Bank did not suppress information sought by Norwegian authorities about financial transactions of the late Norwegian shipping tycoon Hilmar Reksten, according to a report by a commission investigating the Reksten affair.

The report, published after 18 months of investigations, said that Hambros Bank, Reksten's main creditor for several years, gave information on its involvement in Mr. Reksten's activities in Norway and abroad, within the limitations of professional secrecy.

Malaysian State Drops Smelter Plan

KOTA KINABALU, Malaysia (Reuters) — The government in the east Malaysian state of Sabah has dropped plans to build a copper smelter at a cost of 300 million ringgit ($127 million), a state official said Wednesday.

Azizan Hussain, director of state development, said that low copper prices and insufficient ore from Malaysia's only copper mine, at Mamut, made the project unfeasible. He said the mine was expected to be shut down in 10 years when the ore runs out.

Orient Overseas Sets Share Issue

HONG KONG (Reuters) — Orient Overseas Container (Holdings) said Wednesday that it plans to raise more than 1.3 billion Hong Kong dollars ($195 million) through share issues.

It said the money is to be used for the acquisition of property, insurance and shipping interests from companies in which the Tung family has direct or indirect equity interests or management involvement.

Venture Gets Australian Pipe Bid

PERTH, Australia (Reuters) — The Western Australian government has awarded a contract totaling more than 200 million Australian dollars ($190 million) for a natural gas pipeline to a joint venture of ICC Construction of South Korea and the local unit of Saipem of Italy, state Premier Ray O'Connor said Wednesday. ICC is to lay the central section carrying gas to Perth from the Northwest Shelf, and Saipem is to lay the southern section.

Greece Denies Nationalization Plan

ATHENS (Reuters) — Greece's Socialist government does not plan to nationalize the consortium of U.S., West German and Canadian interests drilling for oil in the North Aegean, Energy Minister Evangelos Kouloumbis said Wednesday.

While denying reports that the government sought a majority stake in the North Aegean Petroleum Co., he said it did want to re-examine the 1975 agreement setting a 65-percent public share in the company's daily output of 25,000 barrels. The company's main shareholder is Denison Mines of Canada, with 68.75 percent.

Johns-Manville to Sell Pipe Division

DENVER (Reuters) — Manville Corp.'s Johns-Manville subsidiary has signed a letter of intent to sell its U.S. pipe operations, which reported a 1981 loss of $5.4 million, Manville said Wednesday.

The purchase price, terms of the agreement and purchaser were not disclosed. Manville said the transaction was expected to be completed by year-end.

Liquidator of Laker Sues Airlines

LONDON (UPI) — The liquidator of Laker Airways Ltd. said Wednesday that he has filed an antitrust lawsuit in the United States charging several airlines with conspiring to drive Laker out of business.

Christopher Morris said the suit, filed in federal court in Washington, named Pan American Airways Inc., Trans World Airways Inc., British Airways Board, Lufthansa German Airlines, Swissair, British Caledonian Airways Ltd., McDonnell Douglas Corp. and McDonnell Douglas Finance Corp. The lawsuit seeks substantial damages on behalf of Laker's creditors and shareholders. No specific figures were announced but it was understood the suit sought hundreds of millions of dollars.

Oil Glut Disrupts Jakarta Development Plans

By William Branigin
Washington Post Service

JAKARTA — Indonesia, once among the developing world's leading boom economies, is having to reassess its ambitious development programs as government planners grapple with hard economic choices posed by the recession and the world oil glut.

A steep slide in Indonesia's economic indicators in recent months has shown that the oil producer is not immune to the recession and has sharpened a debate over whether to slow down or press ahead with multibillion-dollar development projects. The debate has extended to the World Bank and International Monetary Fund, which have given Jakarta conflicting advice.

With the outlook continuing to dim, the consensus appears to be tilting toward the IMF's view that development must be substantially scaled down to cope with a mounting budget deficit. Yet some optimists in the government persist in promoting costly projects, and it remains uncertain what tack President Suharto will take when he announces a budget in January for the 1983-84 fiscal year.

Mr. Suharto has staked a large measure of his prestige on economic growth during his 16 years in power and is to be proclaimed the "Father of Development" next year.

Another factor that makes the decision to cut back development spending that much tougher, according to Indonesian and foreign economists, is the corruption that pervades the bureaucracy and the military.

Still, bankers and economists consider the country's economy to be generally well-managed and believe Indonesia is relatively well-equipped to deal with the recession. They express confidence that the nation can steer clear of "the Mexico trap" of falling heavily into debt to pay for development programs that can no longer be covered by oil income.

One major problem, though, is that, because so many high-ranking officials and influential figures — including relatives and associates of the president — have a personal financial stake in the big projects, it will be difficult to cut them back, sources said.

In a broader perspective, Indonesia is also caught up in an international debate on whether the recession is cyclical or part of a major structural adjustment in the world economy after the oil price increases of the 1970s. Advocates of the latter theory see the downturn in the oil market as a permanent change attributable to increasing use of alternate energy sources and greater conservation.

This view also holds that, with a continuing world petroleum glut, oil prices could collapse. Just such a forecast by the U.S. economist Milton Friedman in a speech in Oslo in September has received wide circulation in Indonesia. Mr. Friedman said that, without another serious disruption in the Middle East, he saw nothing to prevent oil prices from dropping to between $10 and $12 a barrel.

The prospect of a plunge in oil prices terrifies Indonesian planners, who count on petroleum exports for 70 percent of government revenue. Indonesia is already losing revenue at an annual rate of $3 billion because of lower oil production.

According to an economic trends report issued last week by the U.S. Embassy in Jakarta, the country has gone from a current account surplus of almost $500 million to a deficit of at least $7 billion in two years. Other economists say the deficit for this fiscal year could reach $8 billion.

Real growth in the gross domestic product has slid from 9.9 percent in 1980 to a projected 4 percent this year, the report said. Economists concede privately that even 4 percent is optimistic and that growth may not reach 2 percent.

Indonesia's official foreign debt is put at about $17.5 billion. Including undisbursed loans, it comes to about $28 billion. Private debt adds $5 billion to $6 billion, economists say.

On the bright side, they say, the debt is still easily manageable, with much consisting of long-term loans from multilateral agencies or governments at relatively low interest rates. Inflation is less than 10 percent, compared to more than 600 percent when Mr. Suharto came to power in 1966.

"Indonesia has very considerable financial resources to meet the present problems," said one of the more optimistic foreign officials monitoring the Indonesian economy. "The question is how long could it allow a deficit of this magnitude to continue."

"I don't think the president is apprised of how serious the situation is," another economist said.

In his latest statement on the economy, Mr. Suharto said Indonesia would speed up its ambitious development program. "We do not need to panic" during the recession, he said. "Instead, we must make our national economy grow and spur on our development even faster yet."

Mr. Suharto apparently was relying on a rosy report presented by the World Bank in May advocating continued high development spending. The report called for increased foreign borrowing and forecast real GNP growth this year of 7.5 percent.

The IMF is known to have disputed the World Bank figures and counseled an opposite course. As the economy has continued to slide, this view has won converts.

Apparently aware of the budget battle shaping up, however, some government agencies have been rapidly pushing ahead with big new contracts. The latest to be signed is for a $1-billion oil refinery that some government planners have argued is not needed. It was awarded to a Japanese company represented by the president's son and a businessman close to the Suharto family.

N.Y. Group Challenges Subway-Car Finding

By Jane Perlez
New York Times Service

WASHINGTON — The chairman of New York City's Metropolitan Transportation Authority has described as "greatly unfair and senseless" a preliminary finding that 825 subway cars ordered from a Canadian company by the MTA were being unfairly subsidized by the Canadian government.

The chairman, Richard Ravitch, said Tuesday the authority would argue against the existence of the subsidy in further proceedings at the Commerce Department.

Mr. Ravitch said that if the MTA faced duties the authority would not use the Canadian loan and instead would seek financing by offering a bond issue.

The Commerce Department said that a Canadian government corporation aided the manufacturer, Bombardier Inc. of Montreal, with a subsidy of $167,225 for each car, or $137 million for the fleet.

The department's findings resulted from a petition filed in June by Budd Co., a Michigan concern that was the unsuccessful domestic bidder on the contract.

Budd complained that it could not compete with Bombardier because the Export Development Corp. of Canada had agreed to lend the New York authority 85 percent of the purchase price at an interest rate of 9.7 percent over 15 years.

Budd, a subsidiary of Thyssen of West Germany, contended that the Canadian terms violated international trade agreements on the amount of subsidy that a foreign country can provide to attract business.

The International Trade Commission, another U.S. government agency that also has jurisdiction in the case, is to decide by March 21 whether Budd has suffered material injury.

A lawyer for Budd, James Lundquist, said that if Mr. Ravitch decided not to use the Canadian loan, "we'll still pursue our case with the International Trade Commission."

Computer Makers Focus on School Market

(Continued from Page 17)

about $2 billion in 1981. The study projects that the figure will exceed $13 billion by 1987.

Last month, IBM also joined with Carnegie-Mellon University in a project that should result in the placement of 7,500 IBM computers, one for every dormitory room and faculty office on the campus.

"Nobody is hiding the fact that we and Carnegie-Mellon are trying to develop a system that other universities will want to install" by the late 1980s, Lewis Branscomb, a vice president of IBM and the company's chief scientist, said in a recent interview.

If successful, the IBM-Carnegie Mellon project could combine the best features of relatively inexpensive personal computers and much more expensive time-sharing systems that connect users to a large central computer through a terminal that has no processing capability of its own.

The so-called work stations under joint design by IBM and the Carnegie-Mellon staff are expected to be several times more powerful than a personal computer. And they would operate independently, which would enable users at an infinite number of work stations to perform complex operations quickly without overloading the central computer with demands from users on each terminal.

IBM and the university are also installing a large mainframe computer to store large files, a more efficient system than the record-like "diskettes" used to store permanent files in most home computers.

The mainframe will enable each student and faculty member to communicate with others through their machines. Carnegie-Mellon is also negotiating with Warner Communications, which holds the cable television franchise for the Pittsburgh area, to make the system available to every household in the area.

Under the Carnegie-Mellon plan, students would likely be required to purchase their computer, and they would take it with them after graduation.

While sales to students are not assured in elementary and secondary schools, there are widespread hopes that students familiar with computers will buy them before entering college.

"That idea has not eluded us," conceded Frederick M. Hoar, vice president of communications for Apple. But the "primary emphasis" of the Apple bill, he added, "is to improve computer literacy in the schools."

Mr. Hoar noted that Apple would not be the only beneficiary of the bill. "There are 103,000 schools in this country," he said, "and there is no way that one company can fill all those classrooms."

While Apple's competitors did not oppose the House measure, they have given Apple no help in Washington. One IBM employee, who asked not to be identified, said that if passage of the bill led to indiscriminate donations of computers "some are going to be used as expensive doorstops."

Ron G. Stegall, vice president of computer sales for Tandy, which markets Radio Shack computers, said, "We are not certain that the American taxpayer should be subsidizing our portion of the tax burden." While he would not oppose the measure, Mr. Stegall said, Radio Shack has found that even financially pressed schools that decide they need computers find a way to purchase them.

Others in the industry, however, say that some computer companies and even parents are putting pressure on the schools, particularly at the elementary level, to buy equipment they do not need or do not know how to use.

"People have been shoving things down the throats of the schools," said Dr. Branscomb of IBM.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

United States

Commonwealth Edison

Year	1982	1981
Revenue	4,120.	3,700.
Profits	592.1	441.2
Per Share	3.74	3.08

Hormel (Geo. A.)

4th Quar.	1982	1981
Revenue	381.5	396.3
Profits	9.26	7.46
Per Share	0.96	0.78
Year	1982	1981
Revenue	1,476.	1,433.
Profits	28.1	27.3
Per Share	2.92	2.84

West Germany

Hoechst

9 Months	1982	1981
Revenue	9,280.	9,130.
Profits	478.0	575.0

New Trade Zone Close to Shanghai Is Being Planned

The Associated Press

PEKING — Shanghai will offer overseas investors preferential treatment in a suburban industrial zone, the official Xinhua press agency reported Wednesday.

The 395-acre zone near Minhang, Shanghai's first satellite town, will accommodate 100 factories for light and textile industries, handicrafts, electronics, food and modern building material industries, Xinhua said.

Shanghai also is developing a 72-acre area 4 miles (6.5 kilometers) from the city center for foreign consulates, trade office buildings, apartments for businessmen, hotels and commercial and cultural facilities, it added.

Meanwhile, Xinhua reported that Shanghai received 330,000 tourists from overseas, Hong Kong and Macao in the first 10 months of this year, up 3 percent from January-October 1981.

Japan Vehicle Output Off 8.2% in October

United Press International

TOKYO — Japan's production of motor vehicles in October, hurt by slow demand at home and abroad, declined 8.2 percent from a year earlier, the Japan Automobile Manufacturers' Association reported Wednesday.

It was the seventh straight month of decline. The association said the nation's 11 automakers turned out 891,241 cars, trucks and buses in October.

Wednesday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

(Continued from Page 18)

Wednesday's AMEX Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

(Continued on Page 21)

Amsterdam

Brussels

Frankfurt

Other Markets Nov. 24

Closing prices in local currencies.

Milan

Paris

Hong Kong

London

Singapore

Sydney

Zurich

Tokyo

Toronto

Canadian Stock Markets Nov. 23

Prices in Canadian cents unless marked $.

Montreal

Canadian Indexes Nov. 24

	Close	Previous
Montreal	314.11	314.68
Toronto	1,804.20	1,808.40

Montreal: Stock Exchange Industrials Index.
Toronto: TSE 300 Index.

Selected Over-the-Counter Nov. 24

NASDAQ Afternoon Prices

Floating Rate Notes Closing prices, Nov. 24

Banks

Non Banks

هكذا من الأهل

Wednesday's AMEX Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

(Continued From Page 20)

EC and Malaysia Reach Accord on Clothing Exports

Reuters

BRUSSELS — The European Community's efforts to break a deadlock with Third World clothing suppliers took a step forward Tuesday with an announcement that Malaysia had agreed to a new accord regulating its exports.

European Commissioo officials said they were now confident that four-year agreemeots could be concluded by the end of the week with some of the seven remaining textile-exportiog nations.

Community foreign ministers agreed Monday to take a more flexible oegotiating stance with major suppliers Hong Kong, South Korea and Macao in a move designed to end talks that have dragged oo for mooths.

The officials said details of the Malaysian accord, which was made final Monday night, were secret but that the community had agreed to softeo a tough provisioo aimed at preventing sudden sharp increases in the amount of clothing reaching West European markets.

The clause had been resisted by Malaysia and other members of the Association of Southeast Asian Nations, the officials said. Its modificatioo helped to secure agreemeot on the oew pact, they added.

Malaysia is the third ASEAN country to agree to a oew accord. An existing one expires at the end of this year.

Diplomats said that although Malaysia was not a large exporter of clothing by Hong Kong standards, it had previously joined four of the five ASEAN nations in rejecting the package in a bid to secure more favorable terms.

The Philippines agreed to a oew accord last weekend, and commission officials said they expect Singapore and Iodooesia to follow suit soon. They also said Brazil and the community were close to an agreement.

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close Quot.	Ch'ge Prev Close
12⅝	6¼	Wisco	s	.30	2.6	13	7	11½	11½	11½— ⅛
25½	8⅝	Withlrd		.40	4.3	7	856	9¼	8½	9¼+ ⅛
13¾	7⅞	WebcrE		n		10	750	13¼	12	13¼+1¼

U.S. Futures Prices

Nov. 24

Grains

Food

Financial

Metals

Livestock

Industrials

Stock Indexes

Market Guide

Commodity Indexes

Cash Prices

Nov. 24

London Commodities

Nov. 24

Eurocurrency Interest Rates

Nov. 24

London Metals

Nov. 24

Paris Commodities

Nov. 24

GOLD						
Dec	412.00	411.70	410.90	411.00	407.50	407.80
Jan	N.T.	N.T.	412.70	414.00	410.60	411.30
Feb	417.60	410.15	417.00	417.40	413.70	414.40
Mar	N.T.	N.T.	419.00	421.00	416.50	413.40
Apr	418.70	417.50	422.00	423.90	419.40	420.00
May	N.T.	N.T.	424.70	427.20	422.00	424.00
Jun	N.T.	N.T.	428.00	431.00	New	—

778 lots of 100 troy oz.

Dividends

Nov. 24

Gold Markets

Nov. 24

Gold Options (prices in $/oz.)

Valeurs White Weld S.A.

Highs and Lows

Nov. 24

U.S. Money Rates

Nov. 24

U.S. Cotton Supplies Rise

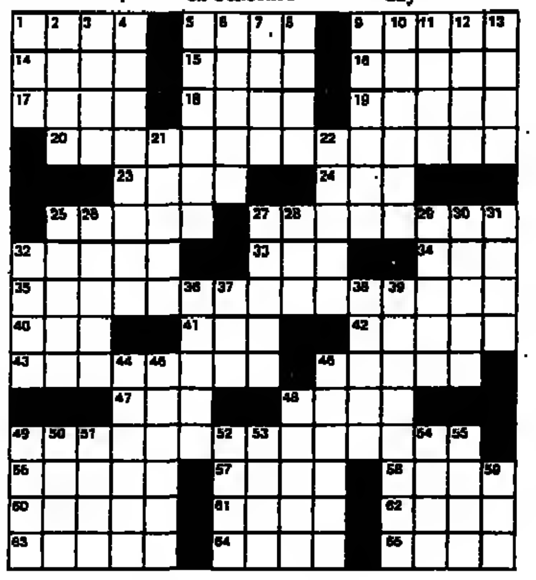
United Press International

WASHINGTON — The Agriculture Department says rising supplies of cottoo and falling demand mean the United States is likely to end the season with stocks of 7.5 million bales. The department's Economic Research Service said U.S. cotton supplies are at the highest levels in 15 years.

CROSSWORD

ACROSS
1 Volunteer fireman
5 Author Stoker
9 Southwestern poplar
14 Print type: Abbr.
15 Architect Saarinen
16 Thinner
17 He wrote "J'accuse"
18 Tech group
19 Nonpareil
20 King James I chartered it
23 Sear
24 Get benefit from
25 Roman in charge of buildings
27 T. Middleton product
32 Idolize
33 Nice pronoun
34 Genetic info carrier
35 Governor of 20 Across
40 Athlete in blue
41 St. Anthony's cross
42 Critics' kudos
43 Comlon station
46 Tore
47 Play by Euripides
48 Scottish philosopher
49 November treat
56 Brahman, e.g.
57 A homophone for seize
58 Fisherman's item
60 Pot lot
61 Roof adjunct
62 Chaucerian unit
63 Avoid an issue
64 Map of sorts
65 The yoke's on them

DOWN
1 Namely: Abbr.
2 On the Jungfrau
3 Place for a promenade
4 Usher's offering
5 Ago
6 Air again
7 Smell —
8 Flying gypsy
9 Melodious
10 Metes soup
11 Mars: Comb. form
12 Average
13 Site of many adieux
21 Prefix for lateral
22 Church officialdom
25 Napoleon, on St. Helena
26 Surrealistic works
27 Philatelist's pride
28 Mongrel
29 Valuable find, for short
30 "The Lady —"
31 Rakes' cousins
32 Oenochoe
36 In accord
37 Revolutionary figure
38 Kyd work
39 Confront
44 Kind of box
45 Hardy
46 Winter apple
48 Laughing one
49 Cartoonist Addams
50 Fratianne's milieu
51 Pro's foe
52 Invitation letters
53 Kind of number
54 Persuade
55 Relative of 33 Across
59 Poet's time of day

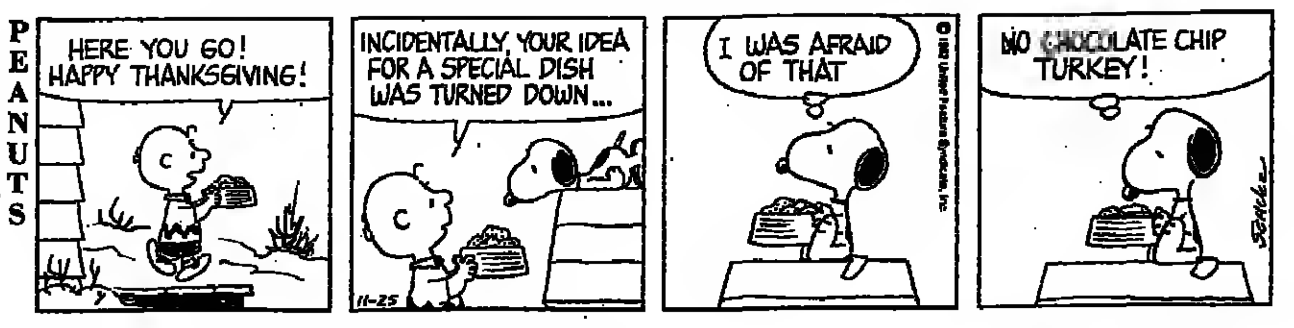


WEATHER

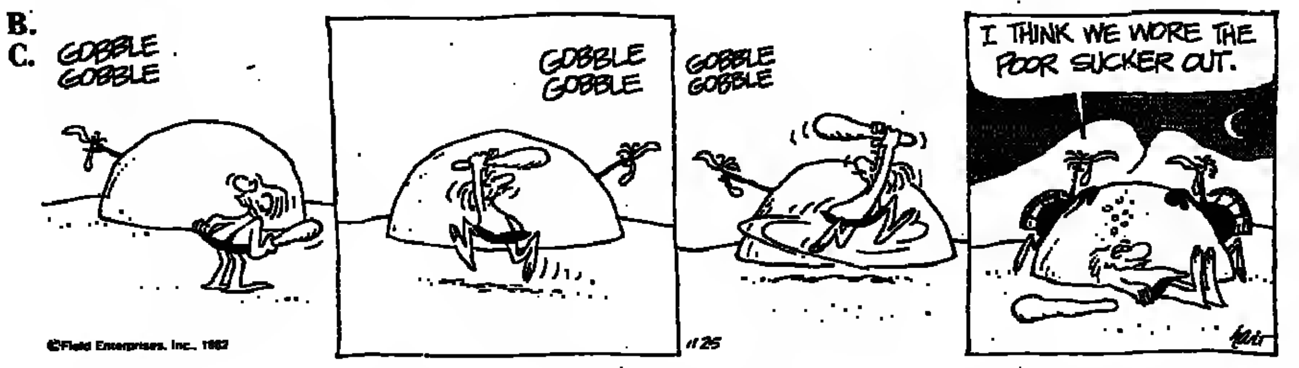
	HIGH C	HIGH F	LOW C	LOW F			HIGH C	HIGH F	LOW C	LOW F	
ALGARVE	17	63	13	55	Cloudy	LONDON	17	63	9	48	Overcast
ALGIERS	22	72	12	54	Overcast	LOS ANGELES	17	63	11	52	Rain
AMSTERDAM	11	52	10	50	Overcast	MADRID	12	54	4	39	Cloudy
ANKARA	6	43	-9	16	Fair	MANILA	25	77	21	70	Cloudy
ATHENS	16	61	4	39	Fair	MEXICO CITY	22	72	18	64	Cloudy
AUCKLAND	—	—	—	—	N.A.	MIAMI	27	81	20	68	Fair
BANGKOK	29	54	24	75	Fair	MILAN	11	52	7	45	Rain
BEIJING	7	45	-2	28	Cloudy	MONTREAL	10	50	4	39	Rain
BEIRUT	17	63	9	48	Cloudy	MOSCOW	4	39	1	34	Overcast
BELGRADE	18	64	-1	30	Fair	MUNICH	12	54	0	32	Fair
BERLIN	12	54	9	48	Overcast	NAIROBI	22	73	14	57	Fair
BOSTON	13	55	10	50	Foggy	NASSAU	27	81	20	68	Fair
BRUSSELS	14	57	11	52	Fair	NEW DELHI	20	68	11	52	Cloudy
BUCHAREST	1	34	-1	30	Foggy	NEW YORK	12	54	11	52	Fair
BUDAPEST	15	59	5	41	Cloudy	NICE	12	54	9	48	Overcast
BUENOS AIRES	29	54	21	70	Fair	OSLO	7	45	3	38	Rain
CAIRO	21	70	10	50	Cloudy	PARIS	11	52	9	48	Cloudy
CAPE TOWN	23	73	10	50	Overcast	PRAGUE	2	36	-1	30	Overcast
CASABLANCA	21	70	12	54	Overcast	REYKJAVIK	-3	26	-8	18	Fair
CHICAGO	31	88	13	55	Fair	RIO DE JANEIRO	27	81	20	68	Cloudy
COPENHAGEN	11	52	0	46	Rain	ROME	17	63	11	52	Cloudy
COSTA DEL SOL	17	63	9	48	Fair	SAO PAULO	25	77	18	64	Fair
DAMASCUS	15	59	7	45	Fair	SEOUL	1	34	-5	23	Fair
DUBLIN	10	50	1	34	Rain	SHANGHAI	13	55	6	43	Cloudy
EDINBURGH	5	41	2	36	Cloudy	SINGAPORE	27	81	23	73	Overcast
FLORENCE	15	59	9	45	Overcast	STOCKHOLM	9	48	5	41	Overcast
FRANKFURT	15	59	9	48	Rain	SYDNEY	32	90	20	68	Fair
GENEVA	10	50	10	50	Rain	TAIPEI	25	77	19	66	Cloudy
HARARE	25	77	18	64	Rain	TEL AVIV	13	55	7	45	Cloudy
HELSINKI	7	45	7	45	Cloudy	TOKYO	15	59	11	52	Cloudy
HONG KONG	25	77	21	70	Cloudy	TUNIS	21	70	9	48	Fair
HOUSTON	11	52	5	41	Cloudy	VENICE	11	52	7	45	Foggy
ISTANBUL	15	59	4	39	Fair	VIENNA	3	38	2	36	Overcast
JERUSALEM	11	52	3	38	Rain	WARSAW	8	46	2	36	Cloudy
LAS PALMAS	24	75	20	68	Overcast	WASHINGTON	10	50	-3	26	Fair
LIMA	27	81	21	70	Overcast	ZURICH	12	54	2	36	Showers
LISBON	17	63	9	48	Cloudy						

Readings from the previous 24 hours.

PEANUTS



B.C.

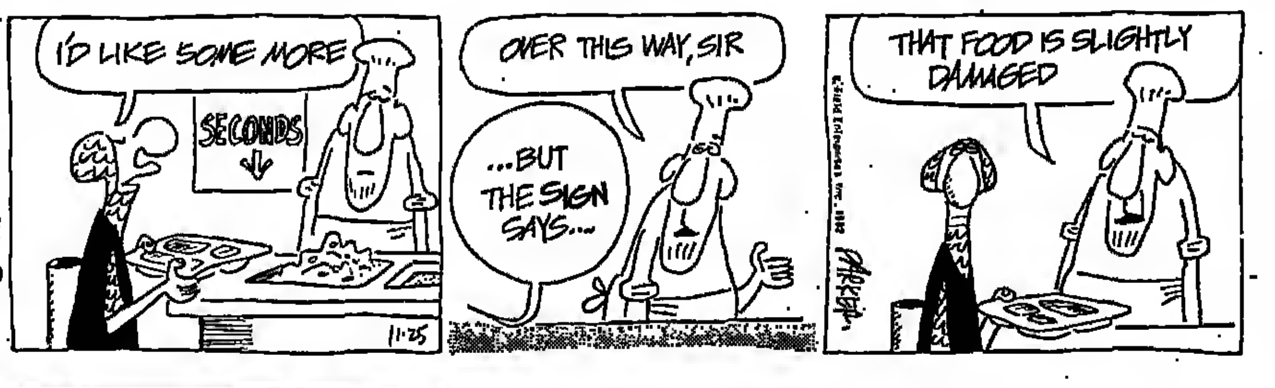


BLONDIE

BEETLE BAILEY

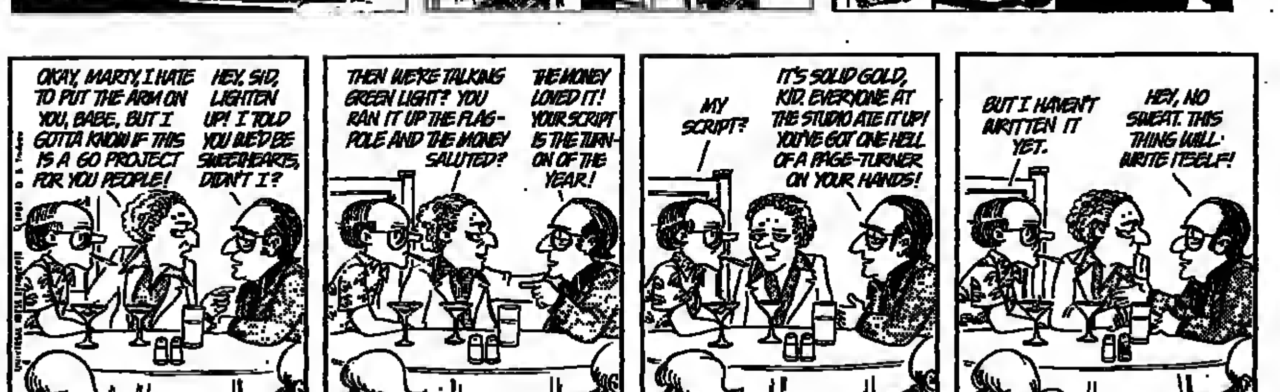
ANDY CAPP

WIZARD of ID



REX MORGAN

DOONESBURY



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DURIL

ANUFA

KIALLA

VORGEN

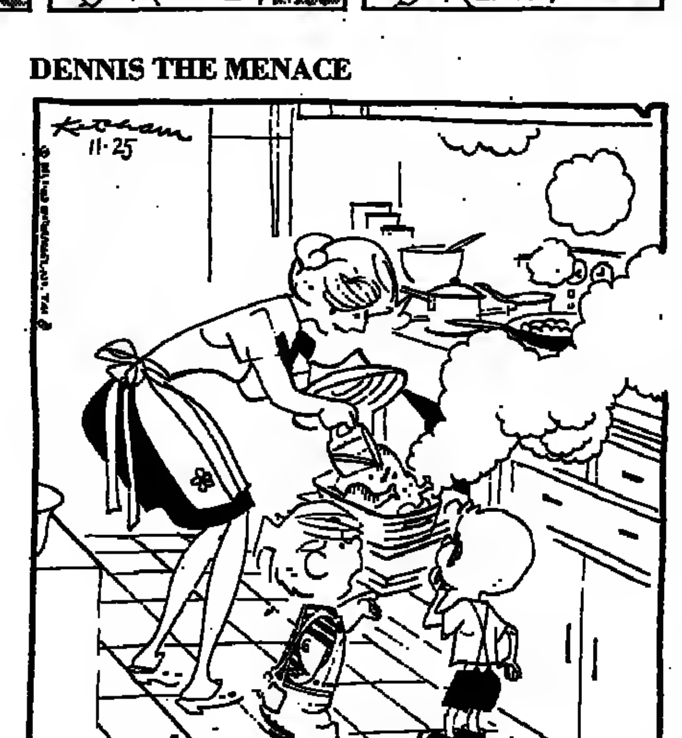
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Yesterday's | Jumbles: LEAFY TOPAZ BEAGLE SAILOR
Answer: What a husband usually does when his wife wants to get in the last word—APOLOGIZES

DENNIS THE MENACE



"SEE? SHE EVEN GIVES IT A BATH WHILE IT'S COOKING!"

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris

BOOKS

THE STONOR EAGLES

By William Horwood. 555 pp. $15.95. Franklin Watts, 387 Park Avenue South, New York, N.Y. 10016.

From the lone shieling of the misty island
Mountains divide us, and the waste of seas
— Yet still the blood is strong, the heart is highland,
And we in dreams behold the Hebrides.
Canadian boat song (anonymous)

Reviewed by Carol Van Strum

EXCEPT to a child, E.T.'s desperate homesickness in Steven Spielberg's recent film is a passion alien to modern sensibilities, a poignant quality of childhood, or faithful pets, or migrating birds — something we "grow out of" or suppress in our mobile, technological society. The engines of progress still the immigrant's longing, comfortable uniformity dims his heritage, and his descendants have no name for the restless craving they inherit.

William Horwood's new novel bestows a commanding dignity on homesickness. From the perspective of this century's end, "The Stonor Eagles" chronicles the development of James MacAskill Stonor from his childhood in southern England in the 1950s to his emergence as an internationally acclaimed artist by the mid-1980s. The works that initially drew international attention to Stonor are dominated by the imagery of eagles, in particular the magnificent white-tailed sea eagle (kin to the American bald eagle) that abandoned the British Isles during World War I. Revisiting the strange, powerful works of his "eagle period" in a retrospective exhibition at New York's Museum of Modern Art in 1998, Stonor confronts again the obsession bequeathed to him by his homesick, derelict father, Liam Hugh MacAskill.

It is Liam — outcast husband, absentee father, combat veteran, exiled Scotsman — who spins the mythical tales of the sea eagles during furtive visits with James, his youngest son. The tales begin as wild fantasy, a vivid concoction of ornithology, Celtic and Norse myth and evolutionary geology. Inspired by the attentiveness of a small boy, the tales become an allegory for Liam MacAskill's life in the saga of Cuillin, the last sea eagle in the British Isles.

Liam MacAskill was the last human to see Cuillin alive before she disappeared from her home on the Island of Skye. Shell-shocked and emotionally wasted by his experiences on the front lines in France and Belgium during World War I, Liam has retreated from humanity and the "Doom" he sees hovering over his race. Unable to fathom the quirk of fate that left him alive in a field of fallen comrades, he links his guilt and horror to the fate of the eagles, for whose extinction he feels responsible. He banishes himself from Skye, as in his tales Cuillin herself takes wing, braving the dark sea in a heroic flight to Norway to find others of her kind. Through his portrait of Cuillin, reciting her memories of Skye and litany of beloved place names to kindle in her children the dream of returning home, Liam betrays his own longing for a place he will never see again. In Cuillin's uneasy destiny — that she alone may somehow avert the unnameable "Doom" prophesied for her race — lie Liam's own tattered hopes for redemption.

The career launched by James Stonor's eagle sculptures begins with the death of his father, leaving Stonor the burden of completing Cuillin's tale. His grief swells into rage at the wanton forces that broke his father's spirit and threaten the sea eagles with a "Doom" now defined — the slow extinction of their race by oil spills, war, shotguns and unseen poisons that erode the fertility of each successive generation. Abandoning a successful advertising career, he embarks on his eagle sculptures, desperate "to invest the wings and head and feathers with that eternal loss that lies in any vagrant heart, eagle or human."

Unexpectedly, the powerful works inspired by his grief and rage attract international attention to the plight of the sea eagle, and protective measures reverse their slow decline. As Cuillin's descendants wing their way back over the sea to Skye, Stonor's despair is fused with love — for his father, for the channel town of his own childhood, for the birds that sustained his father's marred courage and purpose, and for Judith, long cut off from him by his obsession with the eagles. "Myth" and "reality" flow in a kind of tidal equipoise, each directing the course of the other. The parallel courses of Stonor's life and the eagles' saga converge in the actual return and successful breeding of sea eagles on the Island of Skye, where he carves the last of his eagle sculptures on a pilgrimage to his father's ancestral home.

William Horwood's novel is a singular study of the unpredictable sources of creativity and faith. In "Duncton Wood," Horwood's first novel, a colony of moles (reminiscent of the intrepid rabbits in "Watership Down") provide entertaining fantasy, but except for predators, they are portrayed in isolation from the vast web of life, like flowers cast in lucite. "The Stonor Eagles" transcends such artifice, deftly weaving the epic history of a nonhuman species into the context of palpable human experience. The fate of the eagles is inextricable from the fate of the individual and humanity; they share the same destiny, and the same "Doom" hovers over both with the "staring eyes of fire" that stunned Liam MacAskill on a muddy battlefield in Belgium.

Horwood is generous with his characters, both eagle and human. Evil is not personified, and with loving detail he sketches Stonor's family and the small-town individuals whose warmth and fallibilities define home for him. It is Liam MacAskill, though, who dominates the book. He is both seer and messenger, powerless either to complete his tale or to comprehend its import. An aging, homesick relic of a distant battle, he is somehow all fathers, all veterans — comfortless and alone, a stranger to his children. But his love — for a home lost, for eagles and soldiers slain, for the son he cannot hold — transfigures him through his tale of Cuillin, wildly lilting over the crags of Skye and the dark sea.

"It wasna a story. It was never a story," Liam says on his deathbed. William Horwood's exceptional novel is more than a story. "The Stonor Eagles" is a statement of faith in humanity's capacity to redeem its blunders, and in the power of creative intuition to command human destiny.

Carol Van Strum, a writer and editor in Tidewater, Oregon, wrote this review for The Washington Post.

Solution to Previous Puzzle

COKE GLADE STAG
OLAF RABID TAME
SIRFRANCISBACON
IDOLIZED LITRE
USES SHOR
BRAVED BEEN OSA
RANI CURED NAB
EDWARDEGGLESTON
TIA AISLE TONE
TOR DATEKEEPER
GILA DIME
CLARA SEMIPROS
HAMILTONCOLLEGE
ADAM ONION EVEN
RENE METRO SEED

Bible Society Catalogs Manuscript Collection

The Associated Press

LONDON — The British and Foreign Bible Society has been sitting for more than 100 years on a treasure trove of manuscripts wrapped in brown paper in a basement. They range from a fourth-century Coptic Gospel of St. John on papyrus, to an Indian love story inscribed in 19th-century Tamil on palm leaves.

Helped by linguists and a grant of £6,000 ($9,540) from the British Library, the society listed the manuscripts, and a historical catalog of the manuscripts went on sale Tuesday.

BRIDGE

By Alan Truscott

A CENTURY and a half ago, when the world was less specialized, a Frenchman named Alexandre Deschapelles, had a remarkable distinction: He was acknowledged as the best chess player of his time, before there was an official world championship, and held the same No. 1 rank in the world of whist, the forerunner of bridge.

Nobody is ever likely to emulate this feat by reaching the top in both chess and bridge, but a different intellectual double has been achieved. Bill Eisenberg was world backgammon champion and world bridge champion simultaneously in 1976, and two other world bridge champions, Oswald Jacoby and the late John Crawford, won major international backgammon titles before the world title was introduced.

The late Carol Crawford came close to matching her husband's dual record, and probably closer than any other woman. She won the world backgammon title in 1973, one of only three women to have done so, and was only just below the top level in the bridge world. In 1974, playing with her husband and teamed with Al Roth and Barbara Rappaport, she was second in the National Mixed Team Championship.

The diagramed deal, from a rubber bridge game, illustrates Mrs. Crawford's card-playing skill. As South she overcalled two diamonds and accepted the invitation to three no-trump implied by her partner's raise. Doubling East in three hearts would not have been very profitable, for he could have collected eight tricks.

After the obvious heart lead, there were eight top tricks available. The bidding had indicated that the club finesse would fail, but by the same token South could see that East would be under pressure when the diamonds were run. East's strong bidding had made it clear that he held at least six hearts headed by the K-Q, the club king, the spade ace and probably the spade queen.

There were two ways to proceed, and South chose the better one: She captured the heart queen with the ace and ran all the diamonds. East did his best to be tricky, by throwing a club, two hearts and the spade queen. South led the jack of hearts, hoping that East could not take more than four heart tricks. The club queen was thrown from the closed hand, saving a small club, and an extra trick on one of the black suits was guaranteed. It turned out to be the spade king.

South could have found out the heart distribution by ducking the first trick, but this would have produced a different problem after running the diamonds. The same discarding by East would leave a guess, and declarer might easily go wrong by leading a small spade.

NORTH
♠ 10532
♡ 842
♢ A976
♣ A J

WEST
♠ J984
♡ 96
♢ 4
♣ 986543

EAST (D)
♠ A Q 7
♡ K Q 10753
♢ 108
♣ K 2

SOUTH
♠ K 6
♡ A J
♢ K Q J 532
♣ Q 107

Both sides were vulnerable. The bidding:

East	South	West	North
1 ♡	2 ♢	Pass	3 ♢
3 ♡	3 N.T.	Pass	Pass
Pass			

West led the heart nine.

هكذا من الأصل

هكذا من الأصل

SPORTS

U.S. College Basketball Keeps Its Eye on the Clock

By Sam Goldaper
New York Times Service

NEW YORK — In a National Collegiate Athletic Association Rules Committee questionnaire last May, Bobby Cremins of Georgia Tech was one of many coaches who opposed the use of 24-, 30- or 45-second shot clocks. Of the 394 coaching ballots cast for the use of the 45-second clock, Lou Carnesecca of St. John's was one of 119 in favor.

With the college basketball season getting under way, Cremins will be playing all his Atlantic Coast Conference games with a 30-second clock and a 3-point basket for shots beyond 19 feet. Carnesecca, whose team plays in the Big East, will play all conference games with a 45-second clock and no 3-point field goal.

The ACC and the Big East will be among the eight conferences experimenting with shot clocks of either 30 or 45 seconds. Nine conferences will use the 3-point basket at distances ranging from 19 feet to 21 feet 3 inches.

"I originally voted against the clock," Cremins said recently. "Now I want the clock.

"I think coaches suddenly realized they were over-coaching and there was a need to give the game back to the players."

Carnesecca has been an advocate of some form of a shot clock since 1966.

"I was a voice in the wilderness for a long time," he said. "Coaches have finally come to the realization that a lot of teams are starting to put the ball in the icebox in the first half. Basketball is a game of action, not inaction."

Scoring totals declined for a seventh straight year last season. The average combined score has dropped from a high of 153 points a game in 1975 to 135. Although the experimentations may bring about some change, a familiar note is the guessing game as to which team will emerge as the Division I national champion on April 4 in Albuquerque, New Mexico.

An informal survey of college coaches and pro scouts indicates the national champion should be among the following 20 teams:

Virginia: Ralph Sampson made it official last May when the 7-4 center said be would pass up National Basketball Association money and return for his senior year. Whether the Cavaliers can finish No. 1 is the question, but "with Sampson and his supporting cast, I don't see how they could have picked anyone else," said Coach Dean Smith of North Carolina. Adds Virginia's coach, Terry Holland: "We want Ralph to be the same player he's been for the last three seasons."

The Sampson era has produced an 83-14 record. The Cavaliers won the National Invitation Tournament during his freshman season, lost to North Carolina in the final four in 1981 and to Alabama-Birmingham, 68-66, in the second round of the NCAA playoffs last season.

The supporting cast for Sampson, who averaged 15.8 points, 11.4 rebounds and 3.1 blocked shots last season, is strong. He returns with 10 lettermen, including four starters. Othell Wilson (11.4) was one of the nation's top guards last season.

North Carolina: Smith added Michael Jordan to the team last season, and the freshman guard took the last shot to beat Georgetown for the national title. With James Worthy and Jimmy Black gone, the chances of repeating may rest with Smith's newcomers, Brad Daugherty, Steve Hale and Curtis Hunter. Daugherty, 6-11, and the

1982-83 PREVIEW

6-5 Hunter are expected to provide immediate help. The 6-9 Sam Perkins, who averaged 14.3 points and 7.8 rebounds as a sophomore, is one of the nation's top-rated centers. Jordan is also expected to play some small forward, especially if Hale and Hunter live up to their high school reputations. The other starter, 6-8 Matt Doberty, typifies the hustling, scappy player Smith likes to coach.

North Carolina State: The Wolfpack split 14 conference games last season but finished 22-10 overall. Playing in the ACC, whose teams bad a good recruiting year, and being measured against Virginia and North Carolina may be North Carolina State's major problem. Eight lettermen return, led by Thurl Bailey, 6-11, the leading scorer (13.6) and top rebounder (8.5), and Derek Whittenberg (13.4) and Sidney Lowe, a point guard. Alvin Battle, 6-7, arrived from Merced Junior College with averages of 17 points and nine rebounds a game. The reports on 6-4 Ernie Myers, who came out of Tolentine in the Bronx, were that he could be a big contriburor for any college.

Kentucky: The Wildcats, Alabama and Tennessee figure to gain berths in the NCAA tournament. More difficult to predict is which will emerge as the Southeastern Conference champion. Even without Sam Bowie, sidelined for now, Joe Hall has put together a team that gives him the option of going with size or quickness. Among the 10 returning lettermen from last year's 22-6 team are Mel Turpin, the 6-11 junior center who averaged 13.1 points and 7.1 rebounds, Derrick Hord (16.3) and the backcourt of Dirk Minniefield (11.3) and Jim Master(13.4). If the 7-foot Bowie, who sat out last season with a fractured shin bone in his left leg, can come back, few teams will be able to match up with the Wildcats.

Alabama: The Crimson Tide's strength begins with the backcourt of Ennis Whatley and Mike Davis. As a freshman, Whatley developed into the SEC's top playmaker. Coach Wimp Sanderson, who emphasizes rebounding, is counting heavily on the 6-9, 240-pound, Bobby Lee Hurt to better his freshman numbers of 10.2 points and 5.5 rebounds. Mark Farmer, 6-11, backed up Hurt last season, but Sanderson may at times play them together.

Tennessee: The Volunteers, seeking a fifth straight NCAA berth, always exceed expectations. The credit has been given to Coach Don DeVoe's teaching of tenacious man-to-man defenses and shot selection. Twelve lettermen return, but none is more important than 6-7 Dale Ellis, who shot 65.4 per cent from the field, averaged 21.1 points and 6.1 rebounds. Willie Burton, 6-10 Dan Federmann and Kevin Woods, join Ellis up front. Michael Brooks (11.6) an outstanding free-throw and long-range shooter, starts in the backcourt with Tyrone Beamon, the assist leader.

UCLA: The Bruins are back. Freed from NCAA sanctions that kept them out of tournament play despite a 21-6 mark, they are ready to do battle with Oregon State and Southern California for Pacific-10 honors. Coach Larry Farmer has six of seven top scorers back from a team that began 1-5 and finished by winning 15 of its last 16. Farmer is virtually two-deep at every position. Stuart Gray, the 7-foot center, bad a disappointing freshman season, averaging 4.9 points and 4.8 rebounds; he will be flanked by Kenny Fields (13.9) and Darren Daye (8.0). Brad Wright, who hacks up Gray, Nigel Miguel and Gary Maloncon, will be battling for frontcourt playing time.

Oregon State: The Beavers have won the last three Pac-10 titles, but the loss of Lester Conner, mainstay of a sticky defense, will hurt. If 6-10 Steve Woodside can come on strong, pro scouts feel OSU will be able to compete with anyone. Charlie Sitton, a 6-8 junior who shifts to forward to team with A.C. Green and Danny Evans, was a main reason for last season's 25-5 mark and a berth in the NCAA quarterfinals.

Pepperdine: The Waves join UCLA and Oregon State as the class of the Far West. Pepperdine swept through the West Coast Conference with 14 straight victories last year and could repeat. Coach Jim Harrick is not a firm believer in slow-down basketball. Pepperdine, whose offense is predicated on running, board control and playing enough defense to get by, averaged 80.8 points lassi year while giving up 74.6. Four starters are among 10 returning lettermen. Three outstanding seniors, Orlando Phillips (15.6 points and 8.7 rebounds), 6-6 Bill Sadler (12.0/6.0) and 6-3 Dane Suttle (16.8), head the cast.

Nevada-Las Vegas: With Coach Jerry Tarkanian's recruiting ability, the chances are good the Runnin' Rebels will be able to dethrone Fresno State as Pacific Coast Athletic Association champions. Sidney Green, the 6-9 senior, averaged 16.7 points and nine rebounds, while fellow forward Larry Anderson averaged 17.2 points. Danny Tarkanian, the coach's son, had a school-record 262 assists and runs the show as point guard.

Indiana: The Hoosiers had a 19-10 mark last season but have suffered no player losses. With new recruits and Coach Bobby Knight's teachings of tough man-to-man defense, they are favored to win the Big Ten title. They are deep at forward and even deeper in the backcourt. Much will depend on Uwe Blab, the 7-2, 230-pound center who reportedly has made outstanding strides over the 7.2 points and 3.7 rebounds he averaged last season. Jim Thomas (9.2 points), who led the team in assists, steals and rebounds, teams with Tony Brown in the backcourt. Stew Robinson, a 23.6 scorer, was Knight's lone backcourt recruit.

Iowa: Coach Lute Olsen has bolstered his experienced squad with three of the best recruits in the Midwest — Andre Banks, Bryan Boyle and Brad Lohaus — and is looking for 6-10 Michael Payne to become the take-charge player the Hawkeyes have lacked. Playing center last season as a freshman, but apparently better suited as a power forward, Payne averaged 11.4 points and 7.4 rebounds.

Missouri: The Tigers are favored for a fourth straight Big Eight title. Missouri's domination began with the recruiting of Steve Stipanovich and Jon Sundvold; in the three seasons they have played together, the Tigers have never won fewer than 22 games. Stipanovich, a fine passing center, averaged 11.6 points and eight rebounds. Greg Cavener, 6-9, an outstanding rebounder and Mark Dressler, will start at the forwards. Sundvold, with a 12.2 per-game points average and an all-league guard, teams with Prince Bridges.

Louisville: Despite the loss of three starters from the 23-10 team that reached the NCAA's final four, every preseason poll has ranked the Cardinals among the nation's top 10. The enthusiasm centers around the McCray brothers and Charley Jones, but figuring prominently are the newcomers, headed by Billy Thompson, rated the nation's outstanding high-school player and expected to fill the void left by the loss of Derek Smith. With Rodney and Scooter McCray and Thompson at forwards and Jones at center, the front-line talent is rated as equal to that of any other team in the nation.

Memphis State: The Tigers won last year's Metro championship, and the impact of then-freshman Keith Lee can hardly be overstressed. The 6-10 Lee averaged 18.3 points and 11 rebounds, blocked 102 shots and shot .538. The rest of the front line, Bobby Parks and Derrick Phillips, returns.

Houston: The Cougars (25-6) made it to the final four on the strength of a powerful front line and Rob Williams, the high-scoring guard. Williams has turned pro, but the intact front-line membership includes Akeem Olajuwon, the 7-foot sophomore; 6-9 Larry Micheaux, Clyde Drexler and Michael Young. They combined for almost 47 points and 20 rebounds.

Georgetown: Pat Ewing, the 7-foot sophomore center, has blossomed under Coach John Thompson's coaching. The Hoyas lost three players from last season's 30-7 team, but with Thompson's intimidating zone and full-court pressure defenses, plus Ewing, they should continue to thrive.

Villanova: Only Aaron Howard is missing from the 24-8 Wildcat team of last year. Of the four returning starters, none has had a greater effect on Coach Rollie Massimino's program than John Pinone. In the three seasons with the 6-8, 230-pound Pinone, Villanova has been an NCAA tournament participant and has had a 62-27 record. Pinone averaged 17.2 points and 6.6 rebounds last season. Surrounding him are Stew Granger, a top assist man, the 6-10 Ed Pinckney (14.2 points, 7.8 rebounds) and DeWayne McClain, an outstanding outside shooter.

St. John's: The Redmen have received a postseason bid in each of the 14 seasons Lou Carnesecca has been the coach. All five starters are back from the 21-9 team of last season. Heading the cast is 6-6 David Russell, an all-Big East first-team selection after be averaged 17.4 points and 6.9 rebounds. Billy Goodwin, 6-5, and Chris Mullin, 6-6, are also pro prospects.

Marquette: Coach Hank Raymond calls his forwards his "NFL front four." The biggest is Lloyd Moore, 6-9 and 260, and the smallest is 6-6 Kelly Trotter. In between are Vic Lazzaretti and Paul Newman, both 6-8.

The New York Times/Stan Barouh

Ralph Sampson, scoring against North Carolina State.

Orioles' Ripkin Top American League Rookie

Cal Ripkin Jr.
Out of the hole

Compiled by Our Staff From Dispatches

NEW YORK — Cal Ripken Jr., a power-hitting infielder who hit 28 home runs for the Baltimore Orioles, was named the 1982 American League rookie of the year Wednesday.

Ripken won 24 first-place ballots in voting by 28 panelists from the Baseball Writers Association of America and finished with 130 points. Kent Hrbek, the Minnesota Twin first baseman, received the remaining four first-place ballots and a total of 90 points.

Ripken and Hrbek were the only players named on all 28 ballots. Wade Boggs of Boston finished third with 10½ points, Ed Vande Berg of Seattle was fourth with 9 and Gary Gaetti of Minnesota fifth with 4. Dave Hostetler of Texas (3 votes), Von Hayes of Cleveland (2) and Jesse Barfield of Toronto (1½) rounded out the voting.

Ripkin said he hadn't considered himself a sure winner "because of such a great season that Hrbek had." Hrbek batted .301, drove in 92 runs and hit 23 home runs. But Ripken, batting .264 with 93 runs batted in, led all major league rookies in home runs, RBIs, total bases (284) and game-winning RBIs (11). He played 160 games with 598 at-bats, scored 90 runs and delivered 32 doubles.

Ripken is the third Oriole named rookie of the year in the past 10 years and fifth since the award was started in 1949.

Ripken got off to a slow start, hitting .117 in his first 18 games, but picked up considerably with 27 homers and 89 RBIs after May 1. He hit in 11 straight games from June 5 to June 16 and from June 21-27 batted .444 with two homers and 11 RBIs.

"Early in the season, people said I might be rookie of the year," Ripken said. "But then I got off to such a terrible start." At one time, "I would have been satisfied to have just dug myself out of the hole," he added. "I wondered, 'Is this league too tough?' You start to doubt yourself."

Ripken began the season at third base after Doug DeCinces was dealt to California but was shifted to shortstop by manager Earl Weaver. He adjusted well, and finished with a .972 fielding percentage in 94 games at short.

A.L. Rookies of the Year

1982 — Cal Ripken Jr.
1981 — Dave Righetti, New York
1980 — Joe Charboneau, Cleveland
1979 — John Castino, Minnesota, and Alfredo Griffin, Toronto
1978 — Lou Whitaker, Detroit
1977 — Eddie Murray, Baltimore
1976 — Mark Fidrych, Detroit
1975 — Fred Lynn, Boston
1974 — Mike Hargrove, Texas
1973 — Al Bumbry, Baltimore
1972 — Carlton Fisk, Boston
1971 — Chris Chambliss, Cleveland
1970 — Thurman Munson, New York
1969 — Lou Piniella, Kansas City
1968 — Stan Bahnsen, New York
1967 — Rod Carew, Minnesota
1966 — Tommie Agee, Chicago
1965 — Curt Blefary, Baltimore
1964 — Tony Oliva, Minnesota
1963 — Gary Peters, Chicago
1962 — Tom Tresh, New York
1961 — Don Schwall, Boston
1960 — Ron Hansen, Baltimore
1959 — Bob Allison, Washington
1958 — Albie Pearson, Washington
1957 — Tony Kubek, New York
1956 — Luis Aparicio, Chicago
1955 — Herb Score, Cleveland
1954 — Bob Grim, New York
1953 — Harvey Kuenn, Detroit
1952 — Harry Byrd, Philadelphia
1951 — Gil McDougald, New York
1950 — Walt Dropo, Boston
1949 — Roy Sievers, St. Louis

(NOTE: In 1947 and 1948 there was one rookie award for both leagues; selection by league began in 1949).

United Press International

Islander John Tonelli brushed off Neal Broten on a first-period rush, but Broten and teammate Steve Payne both had hat tricks as Minnesota tied New York, 8-8, in a Tuesday night NHL game.

China Keeps Games Lead Over Japan

Compiled by Our Staff From Dispatches

NEW DELHI — China maintained its lead in the gold medal standings at the Asian Games Wednesday, spearheaded by a superb women's diving exhibition by 16-year-old schoolgirl Lu Wei, who won the platform event with 511.17 points.

Her total shattered the games record of 477 points set in 1978 by Chen Hsiao of China.

The Chinese also won team shooting gold medals for the small-bore and standard rifle events with the individual honors going to South Korean Yoon Deok Ha in both cases.

China has a total of 21 golds in the competition. Japan, second in the standings, won its 17th when Kazumi Watanabe took the trap shooting.

And Japan's 400-meter women's freestyle relay team set a games mark of 3:39.27, bettering the record by nearly four seconds.

The gold-medal relay team included Mika Saito, who has already won a gold and a silver, Kaori Yanase, who has won a gold, Yumi Okasaki and Chikako Nakamori. China was second and the bronze was Singapore's first medal of the games.

So far, Japan has won 10 of 12 swimming golds.

Indonesia defeated India, 3-0, in the men's lawn tennis final and South Korea downed China to take the women's gold.

India dominated the golf with Lakshman Singh scoring a 72-hole aggregate of 291 to finish three strokes clear of compatriot Rajiv Mohta for the individiual title. With a team total of 878 strokes (five fewer than South Korea), India won the team title as well.

Weightlifter Ali Pakitzeh won Iran's first gold medal of the games with a total lift of 345.5 kilograms (760 pounds) in the 75-kilo category.

Tsutomo Sakamoto of Japan, who won the cycling 1,000-meter time-trial gold Tuesday, returned to the velodrome for a pre-quarter-finals 1,000-meter sprint and clocked 11.56 seconds, breaking the games mark set in 1978.

Japan is rated highly in track and field events, which were to begin begin Thursday.

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	GF	GA	Pts
NY Isles	14	8	3	101	80	31
Philadelphia	12	9	1	87	72	25
NY Rangers	10	10	1	85	86	21
Washington	7	9	4	70	78	18
Pittsburgh	7	11	3	71	100	17
New Jersey	3	14	6	63	100	12
Adams Division						
Montreal	14	4	4	102	70	32
Boston	12	7	3	78	65	27
Quebec	10	9	2	104	101	22
Buffalo	9	8	4	88	72	22
Hartford	5	11	3	67	91	13

CAMPBELL CONFERENCE

Norris Division	W	L	T	GF	GA	Pts
Minnesota	14	7	2	99	80	30
Chicago	12	3	5	88	66	29
St. Louis	8	12	3	76	85	19
Toronto	4	9	5	62	78	13
Detroit	3	14	5	54	97	11
Smythe Division						
Edmonton	9	9	5	108	100	23
Calgary	9	11	4	101	101	22
Vancouver	9	10	4	83	74	22
Los Angeles	9	8	3	76	77	21
Winnipeg	9	6	2	77	65	20

Tuesday's Results

Minnesota 8, N.Y. Islanders 8 (Payne 3 (12), Broten 3 (10), Bobby Smith (11), Young (5); Bossy (19), Trottier 2 (15), Merrick (1), Tonelli (10), Kallur (4), Lane (2), Pelvin (5)).

St. Louis 1, Montreal 1 (Sutter (15); Napier (6)).

Calgary 6, Washington 3 (Christoff (6), Lavallee (8), Nilsson 2 (12), Peplinski (5), Hislop (5); Gustafsson (3), Houston (9), Langway (2)).

Vancouver 5, Quebec 2 (Hlinka (9), Lemay (7), Molin (6), Lindgren (5), Rota (9); Goulet (17), Tardif (8)).

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct.	GB
Philadelphia	10	2	.833	—
Boston	10	2	.833	—
New Jersey	7	7	.500	4
Washington	4	8	.333	6
New York	3	10	.231	7½
Central Division				
Detroit	9	5	.643	—
Milwaukee	8	5	.615	½
Chicago	6	7	.462	2½
Indiana	6	7	.462	2½
Atlanta	5	7	.417	3
Cleveland	1	11	.083	7

WESTERN CONFERENCE

Midwest Division	W	L	Pct.	GB
San Antonio	9	5	.643	—
Kansas City	5	3	.625	1
Dallas	5	6	.455	2½
Denver	5	8	.385	3½
Utah	4	7	.364	3½
Houston	1	11	.083	7
Pacific Division				
Seattle	12	1	.923	—
Phoenix	10	3	.769	2
Los Angeles	9	3	.750	2½
Portland	8	6	.571	4½
Golden State	4	9	.308	8
San Diego	2	10	.166	9½

Tuesday's Results

Indiana 94, New York 90 (G.Johnson, Knight 21, C.Johnson 14; King 19, Westphal 18).

Portland 104, Philadelphia 103 (Natt 22, Carr, Thompson 20; Malone 22, Toney 17).

Atlanta 132, Chicago 102 (E. Johnson 25, Sparrow 23; Theus 17, Dailey 16).

Utah 121, Cleveland 99 (Dantley 27, Griffith 25; Wilkerson 19, Robinson 17).

San Antonio 136, Denver 126 (Banks 28, Mitchell 27; English 36, Issel 26).

Detroit 128, Houston 106 (Tripucka 27, E. Jones, Thomas 24; Bailey 18, Bryant, Leavell 17).

New Jersey 118, Golden State 103 (Birdsong 27, Cook 18; Carroll 28, Short 24)

SPORTS BRIEFS

NFL Player Vote Set for Dec. 3

WASHINGTON (AP) — The National Football League's 1,500 players will vote Dec. 3 whether to reject or accept the new collective bargaining agreement that came out of their 57-day strike, union leader Ed Garvey said late Tuesday.

Garvey said the reps would vote next Tuesday to either recommend or reject the five-year, $1.6 billion pact agreement to the full membership. Garvey said the players' association would give the NFL's management council, the league's bargaining agent, until midnight Monday to resolve any outstanding issues.

But Jack Donlan, the owners' chief negotiator, said there would be no changes. "It's over," he said. "We feel the agreement is complete and total."

USC Coach Robinson Stepping Down

LOS ANGELES (AP) — John Robinson, finishing his seventh season as football coach at Southern California, announced Tuesday be is quitting to become a senior vice president for university relations. Assistant Coach Ted Tollner was named to replace him.

Robinson, 47, has a 66-14-2 record at USC. During his tenure, the school has produced Heisman Trophy winners Charles White (1979) and Marcus Allen (1981) and one national champion (1978). The Trojans, currently on NCAA probabtion, are 7-3 this year.

Transactions

BASEBALL
American League

NEW YORK—Named Don Zimmer third base coach.

FOOTBALL
National Football League

BALTIMORE—Added Dave Simmons, linebacker, and Greg Murtha, offensive tackle, to its roster. Dropped Dwayne O'Steen, cornerback.

DENVER—Signed Bob Swenson, linebacker, to a series of one-year contracts.

MIAMI—Signed Richard Bishop, defensive tackle. Waived Larry Cowan, running back.

N.Y. JETS—Waived Steve Alvers, tight end/center. Signed Rusty Guilbeau, defensive lineman.

SAN DIEGO—Signed Miles McPherson, defensive back. Placed Bob Gregor, safety, on the injured reserve list.

SAN FRANCISCO—Waived Walt Easley, fullback, Eric Scoggins, linebacker, and Tim Washington, cornerback. Signed Terry Beeson, linebacker, and Mike Clark, defensive end.

COLLEGE

BOSTON COLLEGE—Signed Jack Bicknell, head football coach, to a long-term contract.

NEW MEXICO ST.—Fired Gil Krueger, head football coach.

ART BUCHWALD

The Priscilla Pitch

President Reagan asked me not to print this column this year to punish the French for supplying oil pipeline equipment to the Soviets. But last week he changed course and lifted the embargo, thus making it possible for me once again to explain what the American holiday Thanksgiving is all about.

WASHINGTON — One of our most important holidays is Thanksgiviog Day, known in France as *le Jour de Merci Donnant*.

Le Jour de Merci Donnant was started by a group of Pilgrims *(Pèlerins)* who fled from *l'Angleterre* before the McCarran Act to found a colony in the New World *(le Nouveau Monde)*, where they could shoot Indians *(les Peaux-Rouges)* and eat turkey *(dinde)* to their hearts' content.

They landed at a place called Plymouth (now a famous *voiture Américaine*) in a wooden sailing ship called the Mayflower, or *Fleur de Mai*, in 1620. But while the *Pèlerins* were killing the *dindes*, the *Peaux-Rouges* were killing the *Pèlerins*, and there were several hard winters ahead for both of them. The only time the *Peaux-Rouges* helped the *Pèlerins* was wheo they taught them to grow corn *(maïs)*. The reason they did this was because they liked corn with their *Pèlerins*.

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In 1623, after another harsh year, the *Pèlerins'* crops were so good that they decided to have a celebration and give thanks because more *maïs* was raised by the *Pèlerins* than *Pèlerins* were killed by *Peaux-Rouges*.

Every year on *le Jour de Merci Donnant*, parents tell their children an amusing story about the first celebration.

It concerns a brave *capitaine* named Miles Standish (known in France as *Kilomètres Deboutish*) and a young, sby lieutenant named Jean Alden. Both of them were in love with a flower of Plymouth, named Priscilla Mullens (oo translation). The *vieux capitaine* said to the *jeune lieutenant*:

"Go to the damsel Priscilla *(Allez très vite chez Priscilla)*, the loveliest maiden of Plymouth *(la plus jolie demoiselle de Plymouth)*. Say that a blunt old captain, a man oot of words hut of action *(un vieux Fanfan la Tulipe)*, offers his hand and his heart, the band and heart of a soldier. Not in these words, you know, but this, in short, is my meaning.

"I am a maker of war *(Je suis un fabricant de la guerre)* and oot a maker of phrases. You, bred as a scholar *(Vous, qui êtes pain comme un étudiant)*, can say it in elegant language, such as you read in your books of the pleadings and woo-ings of lovers, such as you think best adapted to win the heart of the maiden."

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Although Jean was fit to be tied *(convenable à être emballé)*, friendship prevailed over love and he went to his duty. But instead of using elegant language, he blurted out his mission. Priscilla was muted with amazement and sorrow *(rendue muette par l'étonnement et la tristesse)*.

At length she exclaimed, interrupting the ominous silence: "If the great captain of Plymouth is so very eager to wed me, why does he not come himself and take the trouhle to woo me?" *(Où est-il, le vieux Kilomètres? Pourquoi ne vient-il pas auprès de moi pour tenter sa chance?)*

Jean said that *Kilomètres Deboutish* was very busy and didn't have time for those things. He staggered on, telling what a wonderful busband *Kilomètres* would make. Finally Priscilla arched ber eyehrows and said in a tremulous voice: "Why don't you speak for yourself, Jean?" *(Chacun à son goût.)*

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And so, on the fourth Thursday in November, American families sit down at large tables brimming with tasty dishes, and for the only time during the year eat better than the French do.

No one can deny that *le Jour de Merci Donnant* is a *grande fête*, and no matter bow well fed American families are, they never forget to give thanks to *Kilomètres Deboutish*, who made this great day possible.

Drop in U.S. Tourism

The Associated Press

WASHINGTON — The oumber of foreign visitors to the United States will decline in 1982 for the first time in 20 years, according to Peter McCoy, U.S. undersecretary of commerce. His predictioo was made after figures were published by the Commerce Department showing a 9-percent decline in the first three-quarters of the year, compared with 1981.

Military Attachés

400 'Gentlemen Spies' in Washington Socialize, Gossip, Arrange Arms Sales, And Keep Their Eyes and Ears Open

By Caryle Murphy
Washington Post Service

WASHINGTON — The gentlemen spies were out in force, crowded around a table of canapes at the Chinese Embassy. Major General Zhang Wenyi, who jogs six miles a day, plays bridge with a passion and loves ice cream, was pouring tots of *maotai* for four high-ranking U.S. Air Force officers.

Across the room two white-suited Russians, Lieutenant Colonel Roman F. Yepifanov and Lieutenant Colonel Vyacheslav K. Povlov, were deep in a discussion of Russian history with another U.S. Air Force officer, Lieutenant Colonel David Miller. A few paces away a knot of bemedaled generals from Brazil, Argentina, Chile and Colombia were chatting in Spanish, while military men from Yugoslavia, Sri Lanka, and Cameroon, to mention a few, moved through the uniformed throng celebrating China's Armed Forces Day.

The mood was festive and the chitchat polite but the finely tuned radar of each guest was scanning the room for useful gossip about weapons and war. It was another gathering of one of Washington's least publicized diplomatic fraternities: its foreign military attachés.

Washington's 400 or so military diplomats are, in effect, "overt spies" charged with finding out as much as they can about their host country's military establishment without engaging in clandestine or illegal activities. As a group they are often overshadowed by their political counterparts and, as one historian put it, known more for "their indiscretions" than their achievements.

The presence of the world's largest military attaché community here reflects not only the United States' status as a superpower but also the fact that Washington is "the new information capital of the world," according to one publisher. Or, as the Egyptian defense attaché, Major General Mohammed Abdel Aziz Kabil, puts it, "I believe everything is cooked here, it's something like a big kitchen. Here everything is special."

As military men, attachés are cast onto the unfamiliar terrain of diplomacy and must operate in a society that often bears no resemblance to their own in its openness, civilian control and democratic processes. As a result these soldiers, sailors and pilots tend to stick together in a close-knit fraternity (there are no female foreign military attachés here).

"We try to relate to one another as soldiers," said Canada's Lieutenant Colonel Richard Macintosh. "We spend more time avoiding any discussions which would offend. We don't run up to the Argentine attachés for example and say, 'Why did you seize the Falklands?' We try to leave our political feelings out of our associations."

The military, naval and air attachés are accredited to the appropriate U.S. service branches. In addition, 56 countries also have defense attachés in Washington accredited to the Defense Intelligence Agency. They usually come from countries with whom the United States shares intelligence and so have access to classified material.

Each branch of the U.S. armed forces has a foreign liaison office for accredited attachés. These offices guide attachés through the Pentagon's bureaucracy, answer their requests, and give them hriefings and tours of U.S. military installations. Foreign attachés from friendly countries and their immediate families can get free outpatient care at U.S. military hospitals — a perk even ambassadors do not have.

Besides a heavy round of receptions and parties, which leads "some cynics to say we spend most of our time entertaining each other," according to Air Vice Marshal J.H. Newham, the Australian defense attaché, the attachés have several social groups — among them, the Washington Military Attaché Association, the Services' Attachés Golf Association, the Services' Attachés Tennis Association and the Washingtoo Area Air Attachés Association — that provide opportunities for the attachés to meet and mix, whatever their countries' alliances might be.

Though these social calls are burdensome, most attachés regard them as part of the job. "The primary task of the military attaché is to gather information valuable to your country, so when you go to receptions it's oot just to enjoy yourself, but also to keep your ears and eyes open and learn. Of course, you must be able to sift fact from fiction," said Sri Lanka's defense attaché, Lieutenant Colonel P.B.C. Dharmapala.

James A. Parcell, The Washington Post

Checking military hats at a party in Washington.

It is at such functions that national hostilities are suspended in the balms of alcohol and protocol.

Obviously the size of an embassy's military staff and the intelligence aspect of its attachés' job depends on the country it represents. At one end of the spectrum are major allies of the United States, whose attachés are often high-ranking officers at the twilight of their careers or those being groomed for big johs back home.

Britain's defense attaché, Major General Anthony Thomas Boam, presides over a staff of eight attachés and more than 100 civilians, including specialists in such things as deep-sea diving, weapons systems and atomic research. Much of Boam's responsihlities deal with coordinating joint military exercises with the United States and caring for the 450 British officers stationed with U.S. forces here.

At the other end of the attaché spectrum are those military representatives of the Soviet Union and its allies in the Warsaw Pact. According to U.S. military officials and other observers, these attachés engage in the most traditional kind of spying here. Last February, the senior Soviet military attaché, Major General Vasiliy I. Chitov, was expelled after FBI agents caught him trying to buy secret information.

Like their political counterparts here, and like U.S. personnel in Moscow, the Communist military attachés in Washington are restricted in their pbysical movements and are not allowed onto U.S. hases except for special occasions.

Attachés of every political persuasion downplay their espionage role, but as Howard Fish, former deputy assistant secretary of state for security assistance and arms sales, ootes, the underlying purpose is always to lubricate the way for more intelligence. "Military attachés give military advice to their ambassadors; they promote arms sales and the exchange of people; but they do all these things to get additional entree for intelligence-sharing, even if it's in-house gossip like who are the rising stars in the Pentagon, who makes the decisions, and squabhling between army and navy," Fish said.

Advances in electronic and satellite spying, the communications revolution, and the openness of American society have all undercut the attaché's traditional role as purveyor of first-hand secret information and, as one congressional aide said, allowed them "to come out of the closet."

"We cannot compete with the mass media," said the Japanese defense attaché, Major General Toshiyuki Shikata. "They are faster than us, in quality and quantity, it is much better than we can get. . . . We do not need to sneak around to find out top secrets."

Many attachés are concerned with somethiog else: that the United States releasses too much military material for its own good. "Your country is very open and I feel very worried about that," said Egypt's Kabil, expressing the nearly universal view of attachés. "Let the Russians spend some time; let them make an effort. [Don't] give them everything in a spoon. They will find it out, but after a while. Five minutes in a war is important."

Another development that has altered the role of the military attaché has been the explosion in global arms sales. Washington is a major supplier to more than 120 countries, with sales that have gone from $4.9 billion in 1971 to over $20 billion this year, according to Pentagon figures.

For many attachés, negotiating these arms contracts is a big part of their joh. Some countries have set up separate arms procurement offices.

Not all military men adjust well to the life of a diplomat-spy. At the Chinese party, Yepifanov, the Soviet Union's assistant air attaché, was disgruntled. "You know, I don't like this joh; I have nothing to do except this, alcohol and protocol," he said holding up his glass. "I am a pilot and once you get the feeling of the stick in your hand and of flying through the air, it's a feeling you never forget. I liked being in command of a squadron. I had a job then."

PEOPLE

Chicago Appearances Canceled by Pavarotti

Luciano Pavarotti has canceled appearances Dec. 1 to 8 in the Chicago Lyric Opera's production of Verdi's "Loisa Miller." **Ardis Krainik**, general manager of the Lyric, said she phoned the tenor's Modena, Italy, home and the singer told her he could not appear because of unspecified "serious family problems."

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Pontus Hulten, 57, the Swedish museum director who launched the controversial Centre Georges Pompidou io Paris and for the last 15 months has been in Los Angeles directing the yet-to-be-built Museum of Contemporary Art, will give up his Los Angeles job to organize the arts and cultural program for the 1989 World's Fair in Paris. The offer of the new position only 15 months after he took on the Los Angeles project came from French **President François Mitterrand** of France, Hulten said. "Obviously I could not reject such an offer." Holten apparently encountered personal acrimony between board members in Los Angeles during his brief directorship.

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Raquel Welch says she has won her stripes "against the slings and arrows of sex symbolism" and will share her secrets with the rest of womankind in "Raquel Welch's Health and Beauty Book," which will be based on yoga. And, her publisher added, "with lots of photographs of Miss Welch in yoga postures." She said the book will be different from one by "the lady in the bumblebee suit," referring to the actress **Jane Fonda**, who wears a striped leotard in her fitness book. "I hope it's going to be a little more subtle and very feminine," said Welch, 40.

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Gloria Swanson has turned over her 100,000-item collection of memorabilia to the Humanities Research Center at the University of Texas. Negotiations with Swanson, now 83 and living in New York, were concluded with the delivery of 78 boxes and four file cabinets of material she has collected since 1913. It includes correspondence with **William Faulkner**, **Mary Pickford** and others. There is one stipulation — the Kennedy correspondence will remaio sealed until the year 2000. Swanson said in her autobiography she had a three-year romance with **Joseph P. Kennedy**, father of President John F. Kennedy.

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